

# Corporate Governance Report

## 企業管治報告

The Group always believes that high-level corporate governance standards and a sound and efficient board of directors are the crucial foundation for the assurance of the Company's effective operation and sustainable development. In addition to mitigating operational risks, pursuing performance excellence and enhancement of the shareholders' interests by making significant efforts through continuous improvement of the corporate governance and internal monitoring system, we also fulfill the environmental and social responsibility of the Group in the ordinary course of business, which has become a power for the advancement of society.

### CORPORATE GOVERNANCE PRACTICES

The Company's corporate governance practices are disclosed based on the principles as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). 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, 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.

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

The positions of Chairman of the Board and CEO are held by Mr. YANG, Tou-Hsiung and Mr. YANG, Kun-Hsiang respectively. The Chairman of the Board is responsible for leading the Board 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 2019, 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").

本集團一直相信高水平的企業管治標準及健全有效率的董事會，是確保公司有效營運、邁向持續發展的重要基礎。我們透過持續改善企業管治及內部監控系統，努力降低營運風險、追求集團最佳經營績效並提升股東權益之外，也承擔企業對環境與社會的責任，並落實於日常營運中，成為社會向上提升的助力。

### 企業管治常規

本公司企業管治常規乃依據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」）附錄十四所載《企業管治守則》之原則進行披露。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，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之《企業管治守則》條文。

### 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

於二零一九年十二月三十一日，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。



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. During the year ended 31 December 2019, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three INEDs with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise and the requirement of having sufficient number of INEDs representing one-third of the Board. 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 relationships between some members of the Board are disclosed under "Profile of Directors, Senior Management and Company Secretary" on page 34.

The Board met regularly during the year. The Board's primary function 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. The NED and INEDs may take independent professional advice at the Group's expense in carrying out their functions.

### RESPONSIBILITIES OF THE BOARD

The Board should assume responsibility for leadership and control of the Company; and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including non-executive Director and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgment on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances for discharging their duties to the Company.

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。截至二零一九年十二月三十一日止年度，董事會一直遵守上市規則有關委任至少三名獨立非執行董事之規定，並且其中一名成員具備適當專業資格，或具備會計或財務管理相關專業知識，以及符合所委任的獨立非執行董事必須佔董事會成員人數至少三分之一之要求。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。

部分董事會成員間之關係披露於第34頁之「董事、高級管理層及公司秘書簡介」。

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。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，費用概由本集團承擔。

### 董事會職責

董事會負責領導及控制本公司；及集體負責指導及監管本公司的事務。

董事會直接及間接透過其委員會帶領及指導管理層（包括制定戰略及監察管理層推行戰略）、監督本集團營運及財務表現，以及確保設有良好的內部監控和風險管理制度。

全體董事（包括非執行董事及獨立非執行董事）均為董事會帶來多種領域的寶貴業務經驗、知識及專長，使其高效及有效地運作。

獨立非執行董事負責確保本公司具有高標準的合規報告，並起平衡作用，使董事會在企業行動及運營方面能夠作出有效的獨立判斷。

全體董事均可全面並及時獲得本公司所有資料，並可於要求時在適當情況下尋求獨立專業意見，以向本公司履行其職責。

The Directors shall disclose to the Company details of other offices held by them.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

### AUDIT COMMITTEE

The Group 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 to the then Listing Rules. The relevant terms of reference was revised on 25 December 2018 to comply with the existing Listing Rule. The Audit Committee comprises Mr. CHAO, Pei-Hong, Mr. KO, Jim-Chen, Mr. CHEN, Joen-Ray and Mr. Huang, Chung-Fong, 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 2019 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, in confidence, concerns about possible improprieties.

董事須向本公司披露彼等擔任的其他職務的詳情。

董事會負責決定所有重要事宜，當中涉及政策事宜、策略及預算、內部監控及風險管理、重大交易（特別是或會涉及利益衝突者）、財務資料、委任董事及本公司其他重大營運事宜。有關執行董事會決策、指導及協調本公司日常營運及管理的職責轉授予管理層。

### 審計委員會

本集團已成立審計委員會，並按照當時上市規則附錄十四所載的前企業管治常規守則的建議以書面釐定其職權。有關之職權已於2018年12月25日作出修改以符合現時之上市規則。審計委員會成員包括所有獨立非執行董事，包括趙培宏先生、柯俊禎先生、陳忠瑞先生及黃鐘鋒先生。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，以審閱中期及截至二零一九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。

### 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.

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.

Senior Management remuneration by band are set out in Note 30 to the accounts.

### 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 the Independent Non-executive Directors.

The Board adopted the board diversity policy ("Board Diversity Policy") in accordance with the requirement set out in the 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 skills, regional and professional experience, cultural and educational background, ethnicity, gender and other characteristics.

### 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。

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。

按範圍劃分之高級管理人員酬金載於賬目附註30。

### 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。

# Corporate Governance Report

## 企業管治報告

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.

### 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 with 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 the Environmental, Social and Governance Report.

### RISK MANAGEMENT AND INTERNAL CONTROLS

The principal businesses of the Group are manufacturing, R&D and sales, of which the Group has not engaged in any high-risk and high-leveraged investment. The members of the Board and the senior management have not engaged in any conduct of business which is beyond the risk acceptance level of the Company.

The Board of the Group oversees the Company to establish an appropriate and effective risk management mechanism and internal control system. The Audit Committee of the Board assists the Board to oversee the management of existing or potential risks in the Company. The management of the Company constantly supervises risks and the implementation of the internal control system to guarantee its effectiveness.

According to the characteristics of the industry in which the Group operates, a designated internal audit department and personnel are set up and appointed in each operating region with an operating cycle of control customised for the regions to carry out regular audit based on an annual plan and professional division of labour. Analysis on the seriousness and deficiency rate of each operational risk will be made, the results of which will be promptly reported to the management of the Company and subsequent improvements will be followed up. In addition to the monthly submission of audit reports to the Audit Committee for review, the audit department also presents major audit findings to the Board for examinations by the members of the Board in order to effectively mitigate the operational risks of the Group.

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。

### 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》及環境、社會及管治報告的披露規定方面的政策及常規。

### 風險管理與內部監控

本集團以製造、研發及銷售為本業，並無從事任何高風險、高槓桿之投資，董事會成員及高階管理層也並未從事逾越公司風險接受程度之商業行為。

本集團董事會監督公司建立合適且有效的風險管理機制及內部監控系統；董事會下轄之審計委員會協助董事會監督公司存在或潛在之風險管理；公司管理層持續監察風險及內部監控系統的落實，以確保其有效性。

依集團產業特性，各營運區域均設有專責之內部稽核部門與人員，並訂定適地之循環控制作業，按年度計劃及專業分工定期稽核，分析各項營運風險之嚴重性及缺失頻率，即時送交公司管理層並追蹤後續改善情況。稽核部門除按月將稽核報告呈交予審計委員會審核之外，同時也針對稽核重大發現於董事會中提報董事會成員檢討，以有效降低集團營運風險。



The major scopes of work of the risk management and internal controls of the Group are summarised as follows:

- Financial and financing cycle management – Alleviate risks through stringent internal controls and legitimate taxation planning applicable locally, credit risk management and control, evaluation and prediction of factors attributing to financial crisis; regularly assess capital position in markets, changes in exchange rates and bank interest rates, and prudently manage the fund allocation of the Company.
  - Sales and payment collection cycle management – Oversee the due execution of the procedures in the sales business, including orders, credit provision, delivery, payment collection or refund and customer complaints so as to minimise the risks in relation to operating revenue.
  - Procurement and payment cycle management – Perform internal controls on operating procedures in relation to supplier management, purchase requisition, price negotiation, contracting, quality check for purchased products or product returns, verification on payment or purchase discounts in order to ensure the openness, fairness and incorruptibility of the procurement system.
  - Investment cycle management – The Group has established the “Investment Review Board” to rigourously evaluate mid-to-long-term investment or the subject matters of strategic alliance and to timely deal with investment projects.
  - Information risk management – Maintain the soundness of the information management system of the Company, manage and safeguard the security of network information and swiftly provide the management with effective information on operational management.
  - Legal affairs, intellectual property rights and R&D cycle management – The legal affairs department of the Group collaborates with professional legal counsels to achieve risk mitigation, transfer or aversion and to secure law compliance by offering education, training and consultation in relation to indentures, product liabilities, legal disputes and litigation, patents, trademarks, intellectual property rights and other relevant matters.
- 本集團風險管理與內部監控主要範疇，概舉如下：
- 財務及融資循環管理—透過嚴謹的內部管控與適地適法的稅務規劃、信用風險管控及財務危機因子評估預測，以降低風險。定期評估市場資金狀況，匯率變動與銀行利率，審慎管理公司資金調度。
  - 銷售及收款循環管理—監督銷售業務自訂單、授信、運送、收款或退回及客訴等程序之妥善執行，確保營收風險降至最低。
  - 採購及付款循環管理—針對供應商管理、請購、比議價、發包、進貨品質檢驗或退貨處理、核准付款或進貨折讓等作業程序進行內控管理，確保採購系統公開公平不衍弊端。
  - 投資循環管理—集團設有「投資審議委員會」，嚴謹評估中長期投資或策略聯盟標的，適時處理投資項目。
  - 資訊風險管理—維持公司資訊管理系統健全、管控與防護網路資訊安全、提供管理階層快速且有效的營運管理資訊。
  - 法務、智權及研發循環管理—集團法務專責部門與專業法律顧問合作，對於各項契約、產品責任、法律糾紛及訴訟，專利、商標及其他智慧財產權等相關事項，提供教育訓練及諮詢，以降低、轉移或避免風險，並確實遵守法令。

- Environmental protection management for production cycle: Implement all environmental protection stipulations and plans in accordance with the local regulatory requirements of the operating regions; and establish special units to plan, execute, supervise and track all environmental protection measures in order to assure the fulfillment of environmental protection responsibility.
- Occupational safety and hygiene management for production cycle – Conduct review and risk analysis on the detrimental level of abnormal environmental safety and hygiene incidents; and require the relevant departments of the plants to formulate improvement measures.
- 生產循環之環境保護管理：依據營運區域當地法規要求，落實各項環境保護規定與方案，並設專責單位計劃、執行、監管與追蹤各項環境保護措施，以確保對環境保護的責任。
- 生產循環之職業安全衛生管理－針對環安衛異常事故之危害程度進行檢討分析風險，並要求廠區相關部門訂定改善措施。

The main courses of study taken by finance personnel of the Group stationed in the plant site in Vietnam in 2019 are as follows:

本集團越南廠區財務人員於2019年主要進修情形如下：

Date of Course 進修日期	Name of Course 課程名稱	Hour of Study 進修時數
2019/03/22	Regulations for Loan Procedures 貸款作業規範	2
2019/05/27	Measure on Receipts and Payments through Bank 通過銀行收、付款作業辦法	2
2019/05/28	Training Courses on Personal Income Tax 個人所得稅教育訓練課程	2
2019/06/15	Introduction to the New Requirements of Legal Provisions 介紹法律條文新規定	2
2019/08/27	Introduction of Method for Establishing Cost Attachment 介紹建立成本附件的方法	2
2019/10/12	Update on the Relevant Requirements as Revised under the 2019 Tax Law 更新2019年稅法所修改相關的規定	2
2019/11/27	Calculation of Cost and Financial Report in SAP System 在SAP系統計算成本及財務報告的作業	2

The main courses of study taken by finance personnel of the Group stationed in the plant site in the PRC in 2019 are as follows:

本集團中國廠區財務人員於2019年主要進修情形如下：

Date of Course 進修日期	Name of Course 課程名稱	Hour of Study 進修時數
2019/01/14	Training on Tax Law App-based Declaration 稅法App申報培訓	2
2019/06/17	Continuous Education on Accounting in Songjiang District 松江區會計繼續教育	24
2019/08/19	Continuous Education on Accounting in Xiamen District 廈門區會計繼續教育	12
2019/11/18	Training for Internal Auditor on Industrialization and Informatization Integration 兩化融合內審員培訓	2



During the year under review, all Directors have reviewed the effectiveness of the internal control system of the Group, including the resources on accounting and financial reporting functions of the Company, the qualification and experience of staff members and the training programmes participated by the staff members and the relevant budgets. The Board considered the risk management and internal control systems of the Group are adequate and effective. The Group will, from time to time, review its risk management and internal control system in order to optimise its effectiveness and in turn heighten the overall corporate governance standard of the Group.

於回顧年度內，全體董事已審閱本集團內部控制系統的成效，包括本公司會計及財務匯報職能方面的資源、員工資歷及經驗、以及員工所接受的培訓計劃及預算等。董事會認為本集團的風險管理及內部監控系統足夠及有效。集團將不時檢討風險管理及內部監控系統，使其有效性更為完備，以提升集團整體企業管治水平。

### MEETINGS ATTENDANCE

### 會議出席記錄

		Attendance/Number of Meeting 出席率/會議次數				
		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	Annual General Meeting 股東周年大會
<b>Executive Directors</b>	<b>執行董事</b>					
YANG, Tou-Hsiung ( <i>Chairman</i> )	楊頭雄 (主席)	4/4	N/A不適用	N/A不適用	1/1	0/1
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	3/4	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	周賜程	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	2/2	1/1	1/1	1/1
CHEN, Joen-Ray	陳忠瑞	4/4	2/2	1/1	1/1	0/1
HUANG, Chung-Fong	黃鐘鋒	3/4	2/2	N/A不適用	N/A不適用	0/1

Notes:

Mr. YANG, Cheng authorized Mr. YANG, Tou-Hsiung to exercise the voting right on the first board meeting. Mr. YANG, Kun-Chou authorized Mr. YANG, Kun-Hsiang to exercise the voting right on the third board meeting. Mr. HUANG, Chung-Fong authorized Mr. KO, Jim-Chen to exercise the voting right on the second board meeting.

附註：

楊正先生授權楊頭雄先生於第一次董事會會議行使表決權。楊坤洲先生授權楊坤祥先生於第三次董事會會議行使表決權。黃鐘鋒先生授權柯俊禎先生於第二次董事會會議行使表決權。

### DIRECTORS' TRAINING

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

### 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。

All Directors have already provided the training records for the year ended 31 December 2019 to the company secretary.

全體董事已向公司秘書提供其於截至二零一九年十二月三十一日年度內的培訓記錄。



### COMPLIANCE WITH APPENDIX 14 TO LISTING RULES

During the reporting period, the Company has complied with the code provisions as set out in Appendix 14 to the Listing Rules, with the exception of code provision E.1.2.

In respect of code provision E.1.2 of the CG Code, the chairman of the board should attend the annual general meeting. Mr. YANG, Tou-Hsiung, the Chairman of the Board was not able to attend the Annual General Meeting of the Company held on 14 May 2019 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. HUANG, Chung-Fong 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.

### 遵守上市規則附錄14

除守則條文E.1.2條之外，於報告期間，本公司一直遵守上市規則附錄14所載之守則條文。

就《企業管治守則》之守則條文E.1.2條，董事會主席應出席股東周年大會。董事會主席楊頭雄先生因業務關係未克出席本公司於二零一九年五月十四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、陳忠瑞先生及黃鐘鋒先生的任期為三年。本公司各非執行董事須每三年輪值退任一次。

### COMPLIANCE WITH MODEL CODE

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 2019.

### 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 approximately US\$355,000 and US\$4,000 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 2019. The reporting responsibilities of the independent auditor of the Company on the financial statements are set out in the Independent Auditor's Report on pages 114 to 121.

### 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. NI, Chih-Hao, 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 2019.

### 遵守標準守則

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，彼等於截至二零一九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355,000美元和4,000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二零一九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114至121頁的獨立核數師報告。

### 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倪志豪先生。

於截至二零一九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 shareholders' meetings, including the election of individual directors. All resolutions put forward at shareholders' 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 shareholders' 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.

The Company has adopted a Dividend Policy on payment of dividends. The Company do not have any pre-determined dividend payout ratio. Depending on the financial conditions of the Group and the conditions and factors as set out in the Dividend Policy, dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year will be subject to the shareholders' approval.

### 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 Ms. WONG, Wai Yee, Ella,  
Company Secretary)  
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.

### 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。

本公司已就派付股息採納股息政策。本公司並無預設派息率。根據本集團財政狀況及在股息政策中規定的其他條件和因素，董事會可在財政年度期間建議及／或宣派股息，惟年度末期股息須獲本公司股東批准。

### 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  
(註明交黃慧兒秘書收)  
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，上述各項方有效。本公司可能會按照法律規定披露股東資料。