



紀利華木球會
CRAIGENGOWER CRICKET CLUB

15 January 2024

Dear Members,

Re: Reform in Corporate Governance

The General Committee wish to update Members on the recent communication with the Culture, Sports and Tourism Bureau (CSTB) and the progress of making improvement on the Club's Corporate Governance.

On 18 September 2023 the General Committee wrote to the CSTB informing them the progress made and the difficulties faced by the Club on improving the Club's corporate governance. (for the said letter, please see Attachment I)

On 14 December 2023, class meetings were held with the purpose to further trimming down the voting right assignment between the Special Voting Members and Ordinary Voting Members from 5:1 to 4:1. The resolution was passed. Hence the Phase 2 of the Club's Work Plan has been satisfactorily resolved.

On the same date, the Club received a reply from CSTB (please see Attachment II) concerning the issues of trimming down the voting right assignment and the voting rights of the Corporate Nominee Members (CNMs) and Associate Corporate Nominee Members (ACNMs). The letter was carefully considered by members of the General Committee at its meeting held on 28 December 2023 which resolved to reinstate immediately the voting rights and rights to be elected of the CNMs and ACNMs. CSTB was informed of the Club's decision on 29 December 2023. (for the Club's reply, please see Attachment III)

The above-said letters have been displayed on the Club's notice board for the reference of Members. To enable Members at large be updated of the development and the progress made, the General Committee decided to send all the correspondence in question, as attached, to all Members for their reference.

Thank you for your attention.

General Committee
Craigengower Cricket Club



紀利華木球會 CRAIGENGOWER CRICKET CLUB

各位會員，

關於公司管治改革的最新進展

理事會希望向會員們更新與文化、體育及旅遊局的最近溝通情況以及會所公司管治改進的進展情況。

於二〇二三年九月十八日，理事會致函文化、體育及旅遊局，告知他們會所在改進公司管治方面所取得的進展以及面臨的困難（請參閱附件 I）。

於二〇二三年十二月十四日，召開了類別會員大會，目的是進一步調整特別遴選會員及普通遴選會員之間的投票權比例，從 5:1 調整為 4:1。決議已通過。因此，會所工作計畫的第二階段已圓滿完成。

在同一天，會所收到了文化、體育及旅遊局的回覆（附件 II），涉及公司提名會員及副公司提名會員的投票權及被選舉權問題。理事會於二〇二三年十二月二十八日的理事會會議上認真審議了此信，並決定立即恢復公司提名會員及副公司提名會員的投票權及被選舉權。會所於二〇二三年十二月二十九日通知文化、體育及旅遊局（附件 III）。

上述信件現已在會所的佈告欄上展示，供會員們瞭解相關資訊及進展情況。為了讓所有會員都能瞭解這些進展及取得的進步，理事會決定將所有相關通信作為附件發送給所有會員供參考。

感謝您的關注。

理事會
紀利華木球會
二〇二四年一月十五日



紀利華木球會
CRAIGENGOWER CRICKET CLUB

18 September 2023

The Culture, Sports & Tourism Bureau,
13th Floor, West Wing,
Central Government Offices,
2 Tim Mei Avenue,
Tamar,
Hong Kong.

Attn: Miss Dorothy CHEUNG

Dear Miss CHEUNG,

**Reform in Corporate Governance of
Craigengower Cricket Club
(the “Club”)**

We refer to your letter dated 28th July 2022, in which you stated as part of the club’s good corporate governance, the club should complete two phases of voting rights reform.

Phase 1 involved: -

- (i) reducing the voting right assignments between Special Voting Members (“SVM”) and Ordinary Voting Members (“OVM”) from 50:1 to 5:1.
- (ii) opening up the General Committee (“GC”) for election to all members before the end of March, 2023.

Phase 2 involved: -

trimming the voting assignment disparity further from 5:1 to 4:1, 3:1, or 2:1 by the end of 2023.

We would like to summarize below the progress we made and the challenges we faced so far.

1. On 16th December 2022, the Club succeeded in passing special resolutions changing the voting right disparity from 50:1 to 5:1 and allowing both SVM and OVM to run for posts in the GC.
2. On 3rd April, 2023, 31st July, 2023 and 4th September, 2023, the Club held 3 series of general and class meetings for the second phase reform. We failed to pass special resolutions to reduce the voting right disparity from 5:1 to 2:1.
3. The results in support of the resolution by SVM in their class meetings were 25.49%, 74.1% and 58.18% respectively on the above three days. The “yes” vote did not reach the threshold of 75%, passing the special resolution to amend the articles of association.
4. We consulted the core SVM who openly voted against the resolution. They indicated that they would vote against any resolution whether it is 4:1, 3:1 or 2:1. The objection from SVM for further vote reduction has become stronger as the pressure from other OVM intensified leading to polarization and tensions within the Club.
5. The opposing SVM are of the view that there are other sports clubs with private recreational leases in Hong Kong. These clubs’ articles of association allow voting right differential of 5:1 among different classes of members. If these sport clubs are not required to reduce the disparity, there is no reason why CCC is singled out by CSTB to reduce the disparity.
6. At present, the Club has 3,243 OVM and 92 SVM. The total votes between the two classes of members are 3,243 versus 460. The SVM in total hold about 12.42% of the total votes of the members in a general meeting. The figure of 12.42% can be lower because only 80 of the 92 SVM are active and can be traced by us. Since 2020, the Club has not admitted new SVM because the existing SVM has consistently voted against any new admission. The average age of the SVM in 2023 is 80.11 and all of them are male. Judging from the average life expectancy of 81.9 years for a male in Hong Kong, their votes, if any, will be decimalized in a few years’ time owing to natural attrition without new admission in their ranks and the new admission of OVM is in the order of 20 per month.

7. For good corporate governance, the GC does not believe that it is feasible or necessary to complete phase 2 of the reform by the end of 2023. Phase 1 reform has practically given the absolute majority of the votes to the OVM who may now occupy all 12 seats on the GC (at present they occupy 7 of the 12 seats) and the class of SVM will be decimalized in the foreseeable future. The Club's corporate governance situation is on par if not better than other sport clubs whose articles of association allow disparity of votes in the order of 5:1 or higher.
8. By the phase I reform, we succeeded in reducing the voting strength of the SVM ($92 \times 50 = 4,600$ votes) from 58.65% [$4,600 / (4,600 + 3,243)$] to 12.42% of the total votes. Say, if we succeeded in reducing the disparity from 5:1 to 4:1 pursuant to the target phase 2 reform, the SVM would have $92 \times 4 = 364$ votes. This would amount to 10.19% of the total votes of the whole membership. There is a minute improvement of 2.22% when compared with SVM's present voting strength of 12.42%. The practical difference between phase 1 and 2 is immaterial in the circumstances.
9. The corporate governance reform has consumed much energy of successive GC and has caused severe polarization within the Club in the past few years. The situation is not in the best interest of achieving the Club's goal of promotion of sports and recreation for its members and the public. In the circumstances, we sincerely request that CSTB shall take into account of the above factors and circumstances and accept that we have achieved good corporate governance reform without the need to pursue further with phase 2 as mentioned in your letter dated 28th July, 2022.

We look forward to hearing your favorable reply in the near future so that we can draw a close to the polarization within the Club. We would be more than happy to have a meeting with you to elaborate on the above issue at a mutually convenient time.

Yours sincerely,



Dr Lau Chi Wang, James
BBS JP
President



紀利華木球會
CRAIGENGOWER CRICKET CLUB

中譯本

香港添馬
添美道 2 號
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西翼 13 樓
文化體育及旅遊局
(張寶琮小姐收)

張小姐，

紀利華木球會（以下簡稱“會所”）的公司管治改革

我們謹回覆您於 2022 年 7 月 28 日的來信，其中您提到作為會所良好的公司管治的一部分，會所應完成兩個階段的投票權改革。

第一階段包括：-

- (i) 將特別遴選會員及普通遴選會員之間的投票權差距從 50 : 1 減少到 5 : 1。
- (ii) 於 2023 年 3 月底前，開放理事會，使所有會員都可以作為候選人參選並提名理事會選舉人。

第二階段包括：-

於 2023 年底，進一步將投票權分配差距縮小，從 5 : 1 減少到 4 : 1、3 : 1 或 2 : 1。

我們希望總結一下迄今為止所取得的進展及面臨的挑戰。

1. 於 2022 年 12 月 16 日，會所成功通過了特別決議，將投票權差距從 50 : 1 改為 5 : 1，並允許特別遴選會員及普通遴選會員競選理事會職位。
2. 於 2023 年 4 月 3 日、2023 年 7 月 31 日及 2023 年 9 月 4 日，會所舉行了 3

次特別會員大會及類別會員大會，以進行第二階段的改革。我們未能通過特別決議，將投票權差距從 5：1 減少到 2：1。

3. 特別遴選會員在其類別會員大會上支持決議的結果分別為 25.49%、74.1%及 58.18%。"贊成"票未達到 75%的門檻，無法通過特別決議修訂章程。
4. 我們與公開投票反對決議的核心特別遴選會員進行了磋商。他們表示無論是 4：1、3：1 還是 2：1，他們都會投反對票。隨著來自其他普通遴選會員的壓力增加，特別遴選會員對進一步減少投票權的反對意見越來越強烈，導致會所內部出現兩極化和緊張局勢。
5. 反對的特別遴選會員認為，在香港還有其他私人遊樂場地契約的體育會所。這些會所的章程允許不同類別會員之間的投票權差距為 5：1。如果這些體育會所不需要減少差距，那麼沒有理由單獨要求紀利華木球會減少差距。
6. 目前，會所擁有 3,243 名普通遴選會員及 92 名特別遴選會員。兩類別會員之間的總票數為 3,243 對 460。特別遴選會員總共持有大約占總會會員大會投票權的 12.42%。這個數字可能會更低，因為當中只有 80 名特別遴選會員屬活躍會員。自 2020 年以來，會所沒有接納新的特別遴選會員，因為所有申請均被現有的特別遴選會員投票反對。2023 年特別遴選會員的平均年齡為 80.11 歲，全部為男性。根據香港男性的平均預期壽命 81.9 歲來判斷，以及沒有新特別遴選會員的加入，同時普通遴選會員的新入會每月大約為 20 人，特別遴選會員的票數（如果有的話）將在幾年後因自然流失而減少。
7. 為及良好的公司管治，理事會認為在 2023 年底之前完成第二階段的改革既不可行也不必要。第一階段的改革實際上已經將絕對多數的投票權授予普通遴選會員，他們現在可以佔據理事會的全部 12 個席位（目前他們佔據 12 個席位中的 7 個），而特別遴選會員的類別將在可預見的未來逐漸減少。與允許 5：1 或更高投票權差距的其他體育會所相比，會所的公司管治狀況是相當甚至更好的。
8. 通過第一階段的改革，我們成功地將特別遴選會員的投票權（ $92 \times 50 = 4,600$ 票）從 58.65% [$4,600 / (4,600 + 3,243)$] 減少到總投票權的 12.42%。假設我們成功地將差距從 5：1 減少到 4：1，以符合目標的第二階段改革，那麼特別遴選會員將擁有 $92 \times 4 = 364$ 票。這將占整個會員總票數的 10.19%。與特別遴選會員目前的 12.42% 的投票權相比，實際差異微不足道。

9. 公司管治改革在過去幾年中消耗了理事會大量精力，並在會所內部造成了嚴重的兩極化。這種情況不符合實現會所為會員及公眾推廣體育及娛樂的最佳利益。因此，我們真誠地要求文化體育旅遊局考慮上述因素和情況，並接受我們已經於 2022 年 7 月 28 日的信中提到的，通過了良好的公司管治改革，無需進一步推進第二階段改革。

我們期望儘快收到本局的回覆，以便我們能夠終結會所內部的兩極化。我們非常樂意與您舉行會議，詳細說明上述問題。

劉志宏博士，BBS, JP
紀利華木球會會長
二零二三年九月十八日

文化體育及旅遊局

香港添馬添美道二號
政府總部西翼十三樓



CULTURE, SPORTS AND
TOURISM BUREAU

13TH FLOOR, WEST WING
CENTRAL GOVERNMENT OFFICES,
2 TIM MEI AVENUE
TAMAR
HONG KONG

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來函檔號 YOUR REF. :
電 話 TEL. NO. : 3509 8071
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By email and mail

14 December 2023

Dr LAU Chi-wang, James
President
Craigengower Cricket Club
188 Wong Nai Chung Road
Happy Valley
Hong Kong

Dear Dr LAU,

**Reform in Corporate Governance of
Craigengower Cricket Club**

I refer to your letter dated 18 September 2023 summarising the actions that the Club has taken to pursue reforms to strengthen its corporate governance in the past year.

To recapitulate, the Club submitted the Work Plan for pursuing reforms to strengthen its corporate governance to this bureau in July and August 2022. According to the Work Plan, the Club undertakes to trim down the voting right assignment between the Special Voting Members and Ordinary Voting Members from 50:1 to 5:1 (phase 1) and further lower the ratio to 4:1 or 2:1 (phase 2). Moreover, the Club also undertakes to entirely open up the General Committee (GC) so that all voting members can stand as candidates and nominate candidates for the GC elections. We are given to understand that the further trimming down of voting right assignment was proposed by some club members during an open forum organised by the Club, and the Club decided to adopt such proposal for implementation in phase 2.

We note that the special resolutions relating to the trimming down of voting right assignment to 5:1 and the open-up of the GC to all voting members were passed at the extraordinary general meeting (EGM) held on 12 December 2022, of which the Club's efforts were appreciated.

As regards the further trimming down of voting right assignment to 4:1 or 2:1, the Club convened further EGMs to consider the proposal on 3 April, 31 July and 4 September 2023. In addition to further trimming down of voting right assignment aforesaid, the Club also proposed to "formalise" the granting of voting right to holders of Corporate Nominee Members (CNM) and Associate Corporate Nominee Members (ACNM). We understand from the Club that the "formalisation proposal" arises from the ambiguities of the article regarding the rights of the CNMs and ACNMs in the Articles of Association (AoAs). Unfortunately, the special resolutions relating to the above proposals were voted down at all the three EGMs. Hence, the voting right assignment remained at 5:1 and, perhaps inadvertently, the CNMs and ACNMs were de facto stripped of the voting rights they used to possess.

We note that some club members were disappointed at the rejection of the proposals aforesaid in the previous three EGMs. In addition, some club members had different views towards the arrangement of the EGMs, in particular the adoption of class voting, which was unprecedented in the Club's history.

We are very much concerned with the de facto removal of the voting rights of the CNMs and ACNMs following the three EGMs in 2023. While we note the Club's intention in pursuing the "formalisation proposal" was to rectify the ambiguity of the AoAs concerned, the de facto removal of voting rights of the CNMs and ACNMs, which adversely affects the participation of these members in Club's businesses is unacceptable. In this regard, please take immediate and necessary measures to reinstate the voting rights of the CNMs and ACNMs and extend their eligibility to be elected or to make nominations for the GC.

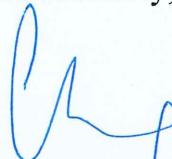
As regards the further trimming down of voting right assignment to 2:1, we understand that the Club took the good advice from some club members and proposed such for implementation in phase 2. From the angle of enhancing corporate governance, please continue your efforts to further trim down the voting right assignment according to your proposal submitted back in 2022. It is entirely the Club's responsibility to make every effort to engage its members to enhance the governance of the Club. We will defer to the Club on how to take forward the proposal in consultation with club members in an earnest and amicable manner.

As we have reiterated before, good corporate governance practice should allow open, fair and balanced participation of members in the Club's businesses. As private sports clubs occupy sites by way of concessionary land grant, which is tantamount to the privileged use of public resources, effective corporate governance is thus essential for private sports clubs to ensure proper use of the public resources to the benefit of the community they serve. It is therefore in the public interest as well as the interest of the Club and its members to achieve effective corporate governance. We will closely monitor

the progress made by the Club and reserve the right to withdraw our policy support for renewing the Club's lease upon its expiry in end 2026 if the Club cannot meet our requirements, inter alia, achieving effective corporate governance.

Should you have any queries, please feel free to contact me at 3509 8071.

Yours sincerely,



(Miss Dorothy CHEUNG)
for Secretary for Culture, Sports and Tourism

劉志宏博士
紀利華木球會會長
香港跑馬地黃泥涌道 188 號

劉博士，

紀利華木球會的公司管治改革

我謹回覆您於 2023 年 9 月 18 日的來信，總結了會所在過去一年中為加強公司管治所採取的行動。

回顧一下，會所於 2022 年 7 月及 8 月向本局提交了加強公司管治的工作計畫。根據該工作計畫，會所承諾將特別遴選會員及普通遴選會員之間的投票權比例從 50：1 降至 5：1（第一階段），並進一步降低比例至 4：1 或 2：1（第二階段）。此外，會所還承諾完全開放理事會，以便所有遴選會員都可以作為候選人參選並提名理事會選舉人。我們瞭解到，在會所組織的一次公開論壇上，一些會員提出了進一步降低投票權分配的建議，會所決定在第二階段實施該建議。

我們注意到，關於將投票權分配降低至 5：1 及對理事會開放給所有遴選會員的特別決議已於 2022 年 12 月 12 日召開的特別大會上通過，本局對會所的努力表示讚賞。

關於進一步將投票權分配降低至 4：1 或 2：1，理事會召開了特別會員大會，於 2023 年 4 月 3 日、7 月 31 日及 9 月 4 日考慮了該提議。除了上述的進一步降低投票權分配之外，會所還提議對公司提名會員及副公司提名會員授予投票權進行“正式化”。我們瞭解到，該“正式化提議”源於公司章程中關於公司提名會員及副公司提名會員權益的不明確之處。不幸的是，關於上述提議的特別決議在所有三次特別會員大會上均被否決。因此，投票權分配仍然保持在 5：1，而公司提名會員及副公司提名會員則在事實上失去了他們曾經擁有的投票權。

我們注意到，一些會所會員對前三次特別會員大會中上述提議的否決感到失望。此外，一些會所會員對特別會員大會的安排持有不同意見，特別是採用分組投票制度，在會所歷史上是前所未有的。

我們非常關注在 2023 年的三次特別會員大會之後，公司提名會員及副公司提名會員被事實上剝奪了投票權。雖然我們注意到會所追求“正式化提議”的意圖是為了糾正相關公司章程的不明確之處，但事實上剝奪了公司提名會員及副公司提名會員的投票權，這對那些會員參與會所事務造成了不利影響，這是不可接受的。在這方面，請立即採取必要措施恢復公司提名會員及副公司提名會員的投票權，並擴大他們參選或提名理事會的資格。

關於將投票權分配進一步降低至 2：1，我們瞭解到會所接受了一些會所會員的建議，並在 2022 年提交的提案中提出了這一建議。從加強公司管治的角度來看，請繼續努力根據您們在 2022 年提交的提案進一步降低投票權分配。會所有責任盡一切努力與會員合作，以加強會所的管理。我們將尊重會所的意見，以認真而友好的方式與會所會員磋商如何推進這一提案。

正如我們之前所強調的，良好的公司管治實踐應該允許會員在會所的事務中進行開放、公正和平衡的參與。作為私人體育會所通過特許土地授予方式使用土地，這等同於特權性使用公共資源，有效的公司管治對於私人體育會所如何確保公共資源的合理利用，造福所服務的社區至關重要。因此，實現有效的公司管治既符合公眾利益，也符合會所及其會員的利益。我們將密切關注會所的進展，如果會所無法滿足本局要求，包括實現有效的公司管治，本局將保留在 2026 年底租約到期時撤回對會所續租的政策支持的權利。

如果您有任何疑問，請隨時致電 3509 8071 與我聯繫。

謹啟

文化體育及旅遊局局長
(張寶琮女士代行)
二零二三年十二月十四日



紀利華木球會
CRAIGENGOWER CRICKET CLUB

29 December 2023

The Culture, Sports & Tourism Bureau
13th Floor, West Wing
Central Government Offices
2 Tim Mei Avenue
Tamar
Hong Kong
Attn: Miss Dorothy Cheung

Dear Ms Cheung,

Reform in Corporate Governance of Craigengower Cricket Club

Thank you for your letter of 14 December 2023 highlighting the following two corporate governance issues:

- (a) the need to implement Phase 2 of the Club Work Plan to further trim down the voting right assignment between Special Voting Members (SVMs) and Ordinary Voting Members (OVMS) from 5:1 to 4:1 or 2:1; and
- (b) the need to reinstate the voting rights and rights to be elected of Corporate Nominee Members (CNMs) and Associate Corporate Nominee Members (ACNMs).

We are pleased to inform you that the two corporate governance issues have been satisfactorily resolved, as follows:

- (a) at the class meetings held on 14 December 2023, the resolution to reduce the voting right assignment between SVMs and OVMS from 5:1 to 4:1 was passed (with 100% OVMS supporting and 95% SVMs supporting). Hence, Phase 2 of the Club's Work Plan has been satisfactorily completed; and

(b) at the General Committee (GC) meeting held on 28 December 2023, the GC resolved to reinstate immediately the voting rights and rights to be elected of CNMs and ACNMs relying on Article 80 of the Articles of Association. The decision to remove the voting rights and rights to be elected of CNMs and ACNMs was made by the GC of the 2022-2023 session based on a legal advice. The GC's resolution of 28 December 2023 reversed the previous GC's decision and allowed voting rights and rights to be elected of CNMs and ACNMs be reinstated with immediate effect. Members have been informed of the above GC decision.

Yours sincerely,



The President,

Dr. James C. W. Lau, BBS, JP.

JL/AW

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紀利華木球會
CRAIGENGOWER CRICKET CLUB

中譯本

文化體育及旅遊局
(張寶琮小姐收)

張小姐，

紀利華木球會的公司管治

多謝您於 2023 年 12 月 14 日的來信，指出以下兩個公司管治的問題：

- 甲、需要實施會所的改革方案第二階段，進一步將特別遴選會員及普通遴選會員之間的投票權比例從 5:1 減少至 4:1 或 2:1；
- 乙、需要恢復公司提名會員及副公司提名會員的投票權及被選舉權。

我們很高興地通知閣下，這兩個公司管治問題已經得到了滿意的解決，詳情如下：

- 甲、於 2023 年 12 月 14 日舉行的類別會議上，通過了將特別遴選會員及普通遴選會員之間的投票權比例從 5:1 減少至 4:1 的決議（得到了 100%的普通遴選會員支持及 95%的特別遴選會員支持）。因此，會所的改革方案第二階段已經圓滿完成；
- 乙、於 2023 年 12 月 28 日舉行的理事會會議上，理事會決議依據公司章程第 80 條，立即恢復公司提名會員及副公司提名會員的投票權及被選舉權。在 2022-2023 屆的理事會根據法律意見曾經決定取消了公司提名會員及副公司提名會員的投票權和被選舉權。2023 年 12 月 28 日的理事會決議扭轉了先前的

決定，允許立即恢復公司提名會員及副公司提名會員的投票權和被選舉權。我們已通知會員有關理事會決議的相關信息。

紀利華木球會會長
劉志宏博士，BBS, JP
二零二三年十二月二十九日

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