



紀利華木球會
CRAIENGOWER 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 decimated 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 x 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 x 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



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張小姐，

紀利華木球會（以下簡稱“會所”）的公司管治改革

我們謹回復您於 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復，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