



紀利華木球會
CRAIENGOWER CRICKET CLUB

15 November 2021

Dear Members,

Re: Club's Corporate Governance

The Club has recently received a letter from the Home Affairs Bureau ("HAB") regarding the improvement which should be made by the Club.

1. Home Affairs Bureau's Letter

1.1. Electioneering through "treating"

Although it is the position of the General Committee ("GC") that treating should not be encouraged, it was suspected that electioneering activities in the form of dinner gathering were held for some Special Voting Members before the Annual General Meeting in 2020.

The HAB suggested that the Club should draw up guidelines to disseminate the message clearly to all Members, and that the relevant personnel should be reminded to refrain from participating in events which might give rise to potential conflict of interest.

1.2. External Review on Corporate Governance

A review on the Club's Corporate Governance by an external consultant has been made and the HAB is pleased to note that the Club has been proactively following up the recommendations of the external review.

The HAB, however, is very much concerned on the disparity of voting rights held by different membership categories, viz some 100 Special Voting Members each holding 50 votes vis-à-vis some 3,000 Ordinary Voting Members each holding 1 vote only. Such great disparity of voting rights is very rare among other private sports clubs and there is an imminent need and strong merits to reduce such significant disparity in voting rights to further strengthen the Club's corporate governance.

1.3. Home Affairs Bureau's Position and Recommendations

The HAB pointed out that good corporate governance is pivotal in keeping the effective management of not-for-profit organisations in operating sports and recreational facilities on sites granted by way of a concessionary land grant. As a matter of public interest, there has been high expectations that the sites should be effectively managed and utilised to contribute to sports development to the fullest extent possible. Indeed, further lease renewals of private sports clubs will hinge upon a host of factors, including their contribution to sports development, compliance with lease conditions and effective corporate governance.

In this connection, the Club is required to a) expedite the implementation of the recommendations of the external review and keep HAB updated on a quarterly basis; and b) submit a detailed work plan on or before 2 December 2021 showing how the Club intends to resolve the voting rights issue in short to medium terms.

2. The GC's Response and Proposed Improvement Proposals

The HAB's comments and recommendations have been carefully considered by the GC. Tentatively, the GC recommends that the following improvement proposals should be adopted to strengthen the Club's corporate governance:

- 2.1. The GC does not encourage treating. A directive will be issued to remind Members who intend to participate in the election activities to refrain from participating in electioneering activities in the form of lunch / dinner gatherings during a period of six weeks before the election takes place.
- 2.2. The number of seats in the GC will be increased from 12 to 16 of which 4 seats will be reserved for Ordinary Voting Members. Application was submitted to the Companies Registrar (“CR”) on 2 August 2021 to seek its approval to the proposed amendments. It is expected that CR’s approval would be granted around late 2021 to early 2022.

Upon the approval of the CR, a forum would be held to brief Members on the reasons for the proposed change and an Extraordinary General Meeting (“EGM”) would be convened for amendment of Article 5 of the Club’s Articles of Association.

- 2.3. To increase the vote entitlements of the Ordinary Voting Members from 1 vote to 10 votes each, an application for amendment to the Article of Association was submitted to the CR on 9 September 2021 and we expect their approval would be granted in early 2022.

Similarly, upon the approval of the CR, a forum would be held and an EGM would be convened for amendment of Article 83.

- 2.4. It is also the objective of the GC to open up all positions of the GC i.e. of the 16 seats in the GC, 4 seats reserved for the Ordinary Voting Members and the remaining 12 seats including the four Officers (the President, Vice President, Honorary Secretary and Honorary Treasurer) would be opened up to both OVMs and SVMs.

The Constitution Sub-committee has been requested to study the proposals in particular eligibilities of the candidates running for election as the four Officers. The GC aims at achieving the target in 2023/24.

- 2.5. In the course of making amendments to Articles (5) & (83), other rights and privileges of Ordinary Voting Members will also be taken care of by giving them the privilege to nominate candidates in all the Club's elections, be eligible for the nomination for the election of Life Membership and be a Proposer or Secunder for applications for the Club's membership.

The above is just a brief report on these matters and we will continue to update Members of the progress periodically.

For and on behalf of the
General Committee



Eric Lam
Honorary Secretary

EL/JK/MW/LL/sf

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END



紀利華木球會 CRAIENGOWER CRICKET CLUB

各位會員，

事由：本會的企業管治

本會最近收到民政事務局的來信，關於本會應進行的改善工作。

1. 民政事務局的來函

1.1. 透過「宴請」進行競選活動

雖然理事會的立場是不鼓勵宴請，但懷疑在 2020 年週年會員大會之前有為部份特別遴選會員而設的晚宴以進行競選活動。

民政事務局建議本會應制定指引，並將有關訊息明確地傳達全體會員，提醒相關人士應注意，避免牽涉有機會出現利益衝突的情況。

1.2. 有關企業管治的外部審閱

外聘顧問已對本會的企業管治進行審閱，而民政事務局欣然得悉本會一直積極跟進外部顧問的建議。

不過，對於有大約 100 名特別遴選會員每人持有 50 票，而 3,000 多名普通遴選會員則每人只持有 1 票的情況，民政事務局對此投票權方面的差距十分關注。他們指出在其他私人體育會所，投票權出現如此顯著差異實在非常罕見。因此，為進一步加強本會的企業管治，有迫切需要拉近在投票權方面的巨大距離。

1.3. 民政事務局的立場和建議

民政事務局指出，在以優惠批地契方式批出的土地上營運文娛體育設施的非牟利機構，如要保持有效的管理，關鍵在於優良的企業管治。鑑於關乎公眾利益，各方均熱切期望有關土地均應作有效管理，以為發展體育事業發揮最大的功能。事實上，延續私人體育會所的租約將視乎多項因素，包括對體育事業發展的貢獻、遵守租約的情況和有效的企業管治。

因此，本會須：甲) 加快執行外部顧問的建議及每季向民政事務局提供最新資料；及 乙) 於 2021 年 12 月 2 日或之前提交詳盡的工作計劃，以顯示本會如何在短中期內解決投票權的問題。

2. 理事會的回應和建議的改善方案

理事會已審慎考慮民政事務局的意見和建議，現暫定推薦採納以下改善方案以加強本會的企業管治：

2.1. 理事會並不鼓勵因競選而安排的宴請活動，故將會向有意參加選舉活動的會員發出指引，提醒彼等於選舉前六個星期的期間內，應避免參與透過午宴／晚宴方式進行的競選活動。

2.2. 理事會議席的數目由 12 席增加至 16 席，當中 4 席將會預留予普通遴選會員。有關申請已於 2021 年 8 月 2 日提交公司註冊處處長，以尋求批准修訂方案。預期公司註冊處處長將於 2021 年末至 2022 年初期間作出批准。

公司註冊處處長作出批准後，本會將舉行論壇，以向會員解釋修訂方案的原因，並會舉行特別會員大會，以修訂本會組織章程第 5 條。

2.3. 為將普通遴選會員每人享有的投票權由 1 票增加至 10 票，理事會亦已於 2021 年 9 月 9 日向公司註冊處處長申請修訂組織章程細則，預期將於 2022 年初獲得批准。

同樣，獲得公司註冊處處長批准後，亦會舉行論壇，並就修訂組織章程第 83 條舉行特別會員大會。

- 2.4. 理事會的目標是開放理事會全部 16 個席位，當中 4 席預留予普通遴選會員，其餘 12 席（包括四個常務理事席位：會長、副會長、義務秘書及義務司庫）可供普通遴選會員和特別遴選會員競逐。

會章小組已應要求研究有關方案，其中尤以參與競逐四個常務理事的候選人的資格為然。理事會期望於 2023/24 年度達成目標。

- 2.5. 在修訂組織章程第(5)和(83)條的過程中，普通遴選會員的權利會被適當地照顧，他們會被賦予提名候選人參與本會所有選舉的權利，亦可被提名參與終身會員的選舉和成為本會會籍申請的提名人或和議人。

上文只是對有關事宜的簡報，本會將繼續定期向全體會員提供最新的進展。

承理事會命

林偉光

義務秘書

二零二一年十一月十五日