Yau Yat Chuen Garden City Club Ltd.
又一村花園俱樂部有限公司

致各會員：

<u>匯報有關會員投票權的差異及地契續期的跟進情況</u>

本會委員會就有關文化體育及旅遊局(下稱文體旅遊局)來函對本會的會員投票權的差異及地契續期表達意見及要求本會於 2022 年 11 月內提交改善工作計劃。

基於這項重要事宜及其迫切性，本會已採取以下安排：

1. 本會已誠聘法律顧問研究政府的立場看法；
2. 本會已於 11 月 1 日(星期二)向各會員發出通知信交代事件背景及詳細列出本會法律顧問所提供的意見摘要；
3. 本會對修改現行會員投票權分配機制改為一人一票的建議發出諮詢文件收集會員意見，在回覆表態的會員中約九成都大多支持同意將現行機制改為每名會員一票；
4. 本會已於 11 月 16 日(星期三)舉行的會員大會中，各會員包括普通會員、資深會員及創會會員也應邀出席表達己見，大部份出席的會員均普遍同意支持及偏向贊成修改現行會員投票權分配機制。此外，在會議上本會的法律顧問指出，本會應收集各種會員類別的普遍共識，包括創會會員、資深會員、普遍會員及公司會員，而且根據公司法就創會會員及資深會員類別亦需要收集個別類別會員類別達 75%多數的書面同意；或舉行個別會員類別的會員大會，並且在該次會議上獲出席投票會員的 75%多數同意支持通過，然後再舉行另一全體特別會員大會通過相應修改本會會章；
5. 由於時間緊迫，本會已於 11 月 30 日(星期三)前向文體旅遊局致函回覆有關提交改善投票權分配工作計劃的擬定安排。文體旅遊局向本會明確表示投票權的公平分配是符合良好企業管治的反映，而良好企業管治是該局考慮本會地契於 2026 年租約屆滿時續約的考慮因素之一，公平合理的投票權分配能促使全體會員的權利得以保障及個別會員所投的票能獲得應有的權重。倘若本會的企業管治在投票權方面未能得到改善，對是否有足夠因素支持續約構成負面影響。

隨函附上由法律顧問撰寫的回覆文體旅遊局信件。

主席

余國春 謹啟
2022 年 12 月 12 日

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Yau Yat Chuen Garden City Club Ltd.
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12 December, 2022

Dear Members.

Report Latest Situation of Disparity in Members' Voting Rights and Government Lease Extension

In response to a letter from the Culture, Sports and Tourism Bureau (CSTB) expressing its views on the disparity in members' voting rights and the extension of Government Leases, and requesting us to submit a work plan by November 2022.

Regarding the importance and urgency of the matter, the General Committee of the Club has taken the following arrangements:

1. The Club has engaged legal advisor to study the Government's views on its position;
2. Letters were sent to members on Tuesday, November 1, briefing the background information of the matter and listing the summary of the points on various perspectives provided by our legal advisor;
3. The Club launched a survey to collect members' views on the proposal of changing the current voting rights assignment to "one member, one vote" arrangement, and about 90% of the members who have responded to the survey were mostly in favor of changing the current assignment to "one member, one vote";
4. At the General Meeting held on Wednesday, November 16, Ordinary Members, Senior Members and Founder Members were invited to express their views on the matter, and the majority of them generally agreed to support and favored the change of the current voting rights assignment. In addition, at the meeting, the Club's legal advisor pointed out that the Club is required to collect a general consensus amongst all classes of members, including Founder Members, Senior Members, Ordinary Members and Company Members, and under the Company Law also collect written consent from a majority of 75% of the members of the class of Founder Members and of the class of Senior Members or to hold the separate General Meetings of that class of members at which not less than 75% of the votes cast at the meeting support the resolution, before another Extraordinary General Meeting of all the Members be held for the corresponding amendments to the Articles of Association;

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5. Given the pressing schedule, the Club has sent out a reply letter to CSTB before 30 November regarding the arrangement of a tentative work plan which is required to submit for improving the disparity in voting rights. The Bureau has made it clear to the Club that a fair arrangement of voting rights is in line with good corporate governance, and the effective corporate governance is one of the factors that the Bureau will take into account when considering the further lease renewal of the Club upon its expiration in 2026. A fair and reasonable assignment of voting rights will ensure that the rights of all members are protected and all individual members can carry due weight that they deserve. If the Club fails to improve its corporate governance in the context of voting rights, the sufficiency of merits for the renewal of the lease would be adversely affected.

A reply letter to the CSTB, drafted by the legal advisor, is attached for your information.

Yours sincerely,

Yu Kwok Chun

Chairman

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29 November 2022

Your Ref: CSTB S&R 4022/75 II

CULURE, SPORTS AND TOURISM BUREAU
13th Floor, West Wing Central Government Offices
2 Tim Mei Avenue
Tamar Hong Kong

Dear Miss Dorothy Cheung,

Survey on Governance of Lessees of Private Recreational Leases

We refer to your letter to our Chairman Dr. Yu Kwok Chun GBM, GBS, JP dated 27 September 2022, and would reply as follows.

We would like to inform that our Club has 826 Senior Members (who have a voting right of 10 votes), 533 Ordinary Members and 76 Company Members (who have the voting right of 1 vote) and only 28 Founder Members (who have a voting right of 20 votes), totalling 1,463 members. As time goes by, the number of Senior Members has been and will be gradually increasing. It is therefore expected that in the foreseeable future, the number of Senior Members alone will constitute an increasing majority of the total number of our members.

In any event, as you have in your letter stressed that even after having regard to the history, members' mix and operation and management needs, you still considered that there are strong merits of improving the existing arrangement, our General Committee has, after urgently sought the views of our members, seriously considered your request made in the context of lease renewal, resolved to change and reduce the voting rights of the Founder Members and the Senior Members to one vote. The intended change is still subject to the approval of the Director of Lands and the Registrar of Companies, the requisite consent obtained from or resolutions passed by the relevant classes members separately, as well as the passing of special resolutions in a general meeting of all the members.

We would like to submit our tentative work plan is as follows:

December 2022

Favourable reply from CSTB received

January 2023

Drafting of proposed amendments to the Articles of Association commences

General Committee promotes among its members the intended change of voting rights as well as any consequential changes to the Club's Articles of Association

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February to March 2023

General Committee's approval of the draft amended Articles of Association

Submission of the draft to CSTB, Directors of Lands and Registrar of Companies for approval
March to May 2023

Receive and synchronize comments from the three Government departments to the draft and submit final draft for their approval

May to June 2023

Receive formal approval from all relevant Government departments

Arrange for separate general meetings of different classes of members as appropriate and of all members for the approval of change of class right and approval of alteration of Articles of Association as per the version approved by the Government.

July to August 2023

General meetings held.

You may note that we have assumed that all the three government departments accepts our simultaneous submission of the draft amended Articles of Association, and would separately respond thereto without having to wait for the response of other departments. The above work plan, which projects completion of the change in August 2023, is prepared on a relatively tight schedule to allow some buffer of time (September to December 2023) as we would not be over optimistic to expect approval be granted upon the first submission without any comments or counter proposed amendment from any of the departments. The meeting of the deadline you set for the completion of the change depends also on the timely responses from the Government departments including yours. We hope that we would receive the Government's understandling, cooperation and assistance.

Yours faithfully,

Yu Kwok Chun
Chairman
For and on behalf of
Yau Yat Chuen Garden City Club Limited

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