

# THE HEBE HAVEN YACHT CLUB LIMITED

## Minutes of the Annual General Meeting

held at 7:30pm on 14 November 2024 at HHYC Conference Hall, 1/F, Pak Sha Wan Centre, Pak Sha Wan, Sai Kung

1. Commodore Donald William JOHNSTON (DWJ) declared the meeting open at 7:31pm and confirmed that a quorum of 25 voting members (present in person and online) had been reached.
2. DWJ explained that due to health reasons, he had partially stepped down as Commodore and proposed that Vice Commodore Sonny PAYNE (SP) chair the meeting. No objection was taken.
3. SP welcomed all present to the AGM, noting it was a hybrid meeting and would be conducted in English with simultaneous interpretation into Cantonese.
4. SP announced the Club had received apologies from the following members:

Ms Chan, Yuk Lin Bridget	(C-455)	Rear Commodore—Sailing
Mr Lo, Kam Kuen John	(L-311)	GenCom member
Mr Yu, Clayton	(Y-142)	GenCom member
Mr Chan, Kam Huen Joseph	(C-155)	
Mr Francis, David Nigel	(F-084)	
Mr Pryke, Stuart David	(P-138)	
Mr Winkelmann, Paul Franz	(W-354)	

5. SP introduced the officers on the dias, as well as the other officers, General Committee (GenCom) members, and parties present:

### Officers on dias

Mr Johnston, Donald William	(J-048) (DWJ)	Commodore
Mr Payne, Sonny	(P-147) (SP)	Vice Commodore
Mr Goach, Aaron Arthur	(G-164) (AG)	Honorary Secretary
Mr Chan, Yiu Man Daniel	(C-353) (DC)	Honorary Treasurer
Mr Jessop, James Harvey	(J-068) (HJ)	Rear Commodore—Sail Training

### Other officers and GenCom members present

Mr Lo, Kin Pong Eddy	(L-408) (EL)	Rear Commodore—Operations (online)
Ms Biddell, Carol Anne	(B-280S) (CB)	
Ms Hurley, Frances Lee	(H-272) (FH)	
Mr Lam, David	(L-535) (DL)	(online)
Mr Lau, Chun Pang Joseph	(L-282) (JL)	
Mr Robertson, Simon Anthony	(R-148) (SR)	
Mr Sharp, Michael Kenneth	(S-252) (MS)	

### In attendance

Mr Arkwright, Paul C.	(PA)	General Manager
Ms Yau, Jessica	(JY)	Membership Manager
Mr Cheng, Zelos	(ZC)	I.T. Manager
Ms Tutschek, Katherine (Intellic Translation Services Ltd)	(KT)	Minute Taker
Ms Chung, Helena (Progressus Translation and Language Consultancy)	(HC)	Interpreter
Mr Chui, Albert (Wong Brothers CPA Ltd)		Auditor
Ms Wong, Winter (Wong Brothers CPA Ltd)		Scrutineer

6. SP explained that as this was a hybrid meeting, all resolutions would be taken by ballot. He then passed the floor to the Honorary Secretary (AG).

7. AG explained the following points regarding the conduct of the meeting and voting process:

- As SP mentioned in Item 5 of these minutes, the Club had engaged several third parties to handle voter registration, vote counting, and auditing.
- The meeting was being recorded in both audio and visual format, the sole purpose of which was to record the voting process and general conduct of the meeting in case of any dispute. The recordings would not be viewed or used for any other purpose.
- A notice of this meeting and its items of business (Notice of Annual General Meeting 2024) was sent to all members approximately four weeks before the meeting date. Only business notified to members in the aforesaid Notice could be discussed at the AGM.
- As per the Club's Articles, only members with the right to vote were permitted to ask questions at the AGM, and were only entitled to answers to those questions if notice of the questions was given to the General Manager at least 72 hours before the commencement of the AGM.

The Club had received one question within the 72 hour deadline, and four questions at approximately 7:30pm the night before the AGM. All five questions would be answered later in the meeting, even though four of them were received after the deadline.

- Members were free to ask further questions during the meeting that were not notified to the Club in advance. However, while those on the dias would do their best to answer these questions on the spot, if more time was required to formulate an answer, an answer would be provided after the meeting instead.
- All resolutions required a simple majority to pass (i.e., at least 50% of the votes must be in favour).

8. AG explained how to log in to the meeting and vote using the Lumi platform, then conducted two test resolutions. He confirmed no one needed assistance logging in, and that there were no issues with the test resolutions.

9. **Question from Peter WONG (W-213):**

*If I vote through the Lumi platform, will it vote for my proxies too?*

**Answer from AG:**

Proxies with pre-determined voting instructions are already encoded into the system, so when a proxy holder casts their own vote, all of the proxy votes they hold will automatically be cast at the same time according to their respective proxy instructions. The proxy holder cannot vote outside of proxy instructions except in the case of discretionary proxies (blank proxies), which are cast according to how the proxy holder themselves votes.

AG reminded proxy holders that they must cast a vote for all four sub-sections of Resolution 7 (i.e., Resolutions 7.1, 7.2, 7.3, and 7.4). If they do not cast a vote for all four sub-sections, their proxy would be unable to vote on all four.

10. **Comment from SR:**

*When a Full Member votes on a resolution, the system counts it as five votes, not just one.*

**Answer from AG:**

That's correct. Senior Associate and Corporate Members have one vote, and Life and Full Members have five votes. The Lumi platform has already encoded each member's voting rights into the system, and will automatically tally the number of votes accordingly.

11. AG confirmed everyone had access to the voting platform and that there were no more questions on how to vote. He reminded members attending online to log out of their device if they left the meeting before voting was finished. AG then returned the floor to SP.

12. SP handed the floor to the Honorary Treasurer (DC), who presented a report on the Club's financial performance in the 2023-2024 financial year (FYE 2024):

- Financial performance for FYE 2024 was worse than FYE 2023, with a deficit of ~HK\$11.0 million in FYE 2024 compared to ~HK\$2.9 million in FYE 2023.
- Total revenue in FYE 2024 was comparable with FYE 2023, at ~HK\$60.2 million and ~HK\$60.8 million, respectively. However, FYE 2023 revenue included a ~HK\$2.3 million government subsidy which the Club did not receive again in FYE 2024, so revenue generated by the Club in FYE 2024 was actually ~HK\$2.3 million higher than the previous year.
- Four of the Club's major sources of income (entrance fees, F&B sales, sail training income, carpark fees) decreased in FYE 2024.
- Club expenses increased by ~HK\$7.8 million in FYE 2024. This was primarily due to an increase in staff headcount and associated salaries and wages, which was done to maintain and improve the Club's quality of service, and ensure it was a competitive employer.
- The Club carried out a number of capital expenditure projects in FYE 2024 which needed to be depreciated, causing depreciation to be ~HK\$8.4 million in FYE 2024 compared with ~HK\$5.7 million in FYE 2023. This was another factor that contributed to the ~HK\$11.0 million deficit.
- In addition to the aforementioned factors, the post-COVID economic environment continued to have an impact on Club revenue and membership numbers in FYE 2024, as it did for many other clubs.
- An analysis of finances showed the Club was good at cost control, but still needed to increase revenue. The Club had a plan in place to increase revenue over the rest of the current financial year.

13. SP asked whether there were any questions from members about DC's report. There being none, SP moved on to the five written questions submitted by members before the AGM:

14. **Question 1 (from Mark ASHTON (A-076)):**

*Could the General Committee explain its decision to hold debt due by Sailability Hong Kong (an independent financial institution) and explain what measures are in place to secure this type of loan? With regard to Note 12 of the Financial Statements, it is understood that this debt stood at HK\$713,599 at FYE 2024. What is the current position?*

**Answer from SP:**

As per the Club's financial statements, Sailability has been in debt to the Club since at least 2017, with their debt reaching ~HK\$2.5 million by FYE 2020. Sailability accrued this debt by using Club services which they struggled to repay at the time, largely because a large sum of money was frozen in their bank account for over three years while the company transitioned from a trust to a corporate entity with charitable status. Since 2021, when their account was unlocked, Sailability quickly paid down the debt. It now stands at ~HK\$500,000 (equivalent to approximately three months' of services HHYC provides to Sailability)-- the lowest it has been in seven years. The Club has no plan to allow the debt to increase again. The debt is, and always has been, unsecured.

15. **Question 2 (from Christopher HANSELMAN (H-258)):**

**Depreciation**

*Property, plant and equipment. Break down please. I presume CapEx costs for PSWC depreciated over the term of the lease.*

**Answer from the dias:**

SP explained that a detailed breakdown of property, plant, and equipment owned by the Club was given on page 24 of the financial statements for the 2024 FYE (included in the Blue Book). That breakdown showed ten categories of property, plant, and equipment, including I.T. infrastructure, forklifts, cranes, sampans, pontoons, *Hebe One*, clubhouse building and improvements, etc. At the end of March 2024, the net book value of property, plant, and equipment was ~HK\$30.5 million..

SP confirmed that capital expenditure (CapEx) costs for Pak Sha Wan Centre (PSWC) would indeed be depreciated over the term of the lease, and that the lease itself was also capitalised. DC added that the Club was charged ~HK\$1.57 million per year for right-of-use for PSWC, depreciated over the three year lease.

**16. Question 3 (from Christopher HANSELMAN (H-258)):**

***Utilities***

*Why is the PSWC lease captured under utilities. I would suggest this is erroneous and misleading and should be a separate P/L item.*

**Answer from SP:**

The PSWC lease is not included under utilities. It is listed as an operating expense on page 22 of the financial statements for 2024 FYE, under “Depreciation--right-of-use assets”. Depreciation for PSWC is ~HK\$1.57 million per year. The “utilities” item in the financial statements is for water and electricity, etc.

**17. Question 4 (from Christopher HANSELMAN (H-258)):**

***PSWC***

*Can you break down P/L for PSWC as a whole. I would suggest it is a loss maker.*

**Answer from SP:**

PSWC is a loss maker, but it was never intended to generate a surplus. It’s primary purpose is to provide compliant office space for staff.

**18. Question 5 (from Christopher HANSELMAN (H-258)):**

***Salaries and benefits***

*An obvious bottomless pit. Huge costs with no obvious benefits over two years. Explanation please. From what I gather, there are three restaurant managers, over ten members of staff in the kitchen, and a big HR team.*

**Answer from SP:**

It is true that there are three restaurant managers and more than ten kitchen staff. Reasons for the increased staff costs are laid out on page 80 of the 2023-2024 Annual Report and Accounts (“Blue Book”). The ~HK\$4 million increase in staff salaries and wages was done to improve service at the Club and improve working conditions for staff. The Club used to have an annual staff turnover rate of 50%, but has come a long way since then. GenCom is aware that certain members want to address staff costs, and agrees that staff costs need to be analysed and controlled; it is at the top of the agenda for next term. To this end, GenCom has engaged a F&B business consultant, Mr Oliver Schuhmann to assist it. Their first meeting with Mr Schumann is tomorrow.

- 19.** SP asked whether there were any further questions from members. There being none, he moved on to the items of business for this AGM, noting that the resolutions would be divided into four ballot sheets to expedite the voting process.
- 20.** The scrutineer handed SP a report showing the number of members registered to vote at the AGM. SP announced that at the time of voting, there were 31 voting members personally present, representing a total of 123 votes; 13 voting members present online, representing a total of 45 votes; and 38 proxies, representing a total of 118 votes.
- 21.** SP reminded those present that the minutes of the 2023 AGM had been circulated to all members along with the Notice of AGM 2024 and blue book prior to this meeting. He then read out Resolution 1, and called for a proposer and seconder:

**Resolution 1: That the minutes of the Annual General Meeting held on 9 November 2023 be approved.**

Proposer: MS

Secunder: JL

The ballot opened and members had two minutes to vote. After the ballot closed, the auditor verified the results. The results were displayed on the screen for members to view, and SP declared that the resolution had passed:

PASSED (For: 100%)

- 22.** SP read out Resolutions 2 through 5, and called for one proposer and seconder for all four resolutions:

**Resolution 2: To receive and adopt the Report of the Chairperson.**

- Resolution 3:** To receive and adopt the Audited Financial Statements together with the Report of the General Committee and Independent Auditor's Report for the Financial Year Ended 31 March 2024.
- Resolution 4:** To approve the appointment of Wong Brothers CPA Limited as the Auditor of the Club for the Financial Year Ending 31 March 2025.
- Resolution 5:** To approve the remuneration of Wong Brothers CPA Limited in the amount of HK\$90,700 for the Financial Year Ending 31 March 2025.

Proposer: SR  
Seconder: MS

The ballot opened and members had two minutes to vote. After the ballot closed, the auditor verified the results. The results were displayed on the screen for members to view, and SP declared that all of the resolutions had passed:

Resolutions 2: PASSED (For: 100%)  
Resolutions 3: PASSED (For: 97.95%)  
Resolutions 4: PASSED (For: 100%)  
Resolutions 5: PASSED (For: 99.59%)

- 23.** SP read out Resolutions 6.1 through 6.3, which dealt with electing members to fill officer positions which had become vacant. He noted that no proposer or seconder were needed as the nominees had been nominated by the Nominating Committee (NomCom). Also, while the candidates for all three officer positions were uncontested, the Club was still required to have a ballot to elect them.

**Resolution 6.1:** That Sonny PAYNE be elected as the Commodore of the Club.

**Resolution 6.2:** That Aaron GOACH be elected as the Vice Commodore of the Club.

**Resolution 6.3:** That Michael SHARP be elected as the Honorary Secretary of the Club.

The ballot opened and members had two minutes to vote. After the ballot closed, the auditor verified the results. The results were displayed on the screen for members to view, and SP declared that all of the resolutions had passed:

Resolution 6.1: PASSED (For: 100%)  
Resolution 6.2: PASSED (For: 85.13%)  
Resolution 6.3: PASSED (For: 95.91%)

- 24.** SP read out Resolutions 7.1 through 7.4, which dealt with electing members to fill other Group A GenCom seats which had become vacant. He noted that no proposer or seconder were needed as the nominees had been nominated by NomCom. While all four candidates were uncontested, the Club was still required to have a ballot to elect them.

**Resolution 7.1:** That Mark ASHTON be elected as a member of the General Committee.

**Resolution 7.2:** That Nigel FRANCIS be elected as a member of the General Committee.

**Resolution 7.3:** That John K.K. LO be elected as a member of the General Committee.

**Resolution 7.4:** That Stuart PRYKE be elected as a member of the General Committee.

The ballot opened and members had two minutes to vote. After the ballot closed, the auditor verified the results. The results were displayed on the screen for members to view, and SP declared that all of the resolutions had passed:

Resolution 7.1: PASSED (For: 78.83%)  
Resolution 7.2: PASSED (For: 75%)  
Resolution 7.3: PASSED (For: 93.82%)  
Resolution 7.4: PASSED (For: 84%)

This concluded the resolutions and voting for this meeting.

**25. Comment from C.K. CHAN (C-448):**

*I notice there are many repeat members of GenCom, and many GenCom positions where there is only one candidate running. As a former member of GenCom myself, I feel it is useful when selecting a candidate to ask repeat candidates what contributions they have made in their previous term(s), and what their vision is for the upcoming term. What does GenCom think of this suggestion?*

**Answer from SP:**

I agree that it is useful for members when deciding on a candidate to have information on each candidate, even if there is only one candidate running for a particular position. However, it is better to share this information with members before the AGM rather than at the AGM itself. That way, members and proxies have time to evaluate the candidates and it makes AGMs more efficient. The Club already sent a notice to members before this AGM with links to candidates' CVs. Their CVs were also posted in the Club restaurant.

- 26.** SP moved on to all other business, and informed those present that the Commodore's Cup, Vice Commodore's Cup, and Special Awards would be presented on 20 November 2024 in conjunction with the 24 Hour Race awards, rather than at the end of the AGM. While this was a break with tradition, GenCom felt it would give more members the opportunity to attend the awards presentation, and would enhance the celebratory atmosphere of the occasion.
- 27.** The outgoing Vice Commodore, SP, presented AG with a burgee in recognition of his new role as Vice Commodore. The outgoing Commodore, DWJ, presented SP with a burgee in recognition of his new role as Commodore. Those present congratulated the new flag officers with a round of applause.
- 28.** SP congratulated MS in his new role as Honorary Secretary; Mark Ashton, Nigel Francis, and Stuart Pryke in their new roles as GenCom members; and welcomed KK back to GenCom for another term. Those present clapped in congratulations.
- 29.** SP also recognised and thanked three members who were leaving GenCom.

The first was Clayton Yu, who had served on GenCom for three years.

The second was Joseph Lau, who had been a Club member for 24 years, served as a Rear Commodore for two years from 2004-2006, and served as a GenCom member for another six years from 2018-2024 while simultaneously serving on nearly every subcommittee at the Club, including SailCom, OpsCom, PWC, and HRCOM. SP thanked him for the hard work and dedication he had put into Club affairs, and presented him with a bottle of fine white wine as a token of the Club's appreciation.

Finally, SP thanked the outgoing Commodore, Don Johnston. Don had been a member of HHYC since 1990 and had contributed to the Club in an unparalleled way. He was the only dual tenure Commodore at HHYC, having served for two years from 1998-2000 and six years from 2018-2024, while having also served in a number of other roles on GenCom and in an extensive number of subcommittees.

In his second tenure as Commodore, Don successfully steered the Club through the most challenging times the Club had ever experienced: social unrest, the pandemic, and the sluggish post-pandemic economy. SP was honoured to have served on GenCom under Don's leadership for five years, having learnt from his rich experience and guidance, without which he would be ill-equipped to take over as Commodore.

Amongst Don's many accomplishments, two stood out to SP during his own time on GenCom. The first, was how Don had initiated and driven the lease modification process to legalize the boat racks and increase the permissible area over which the Club could build, which was expected to be approved in the coming months. The second, was how Don was forward-thinking with regards to modernizing the Club's meetings, such as by introducing a hybrid format for both GenCom meetings and general meetings, thereby enabling greater member participation.

SP presented Don with an ex-Commodore's burgee, a card from GenCom and Club staff, and a bottle of his favourite whiskey as a token of the Club's appreciation.

Those present showed their appreciation to the three members leaving GenCom with a hearty round of applause.



- 30.** DWJ thanked SP for his kind words, and expressed his appreciation and respect for the huge amount of work and time each GenCom member he served with had put into their duties, noting that GenCom's accomplishments were a team effort. DWJ announced that he had recently suffered a stroke, but GenCom saw to it that he had ample time to rest, and now he was almost fully recovered. He commended GenCom for their competence in planning the AGM, noting that the meeting had finished ahead of schedule.

Looking back, DWJ remarked that there were a number of pre-existing issues that needed addressing when he began his second tenure as Commodore, and every year presented unique challenges. Some of these issues were visible to the membership, but there were many issues that members were not aware of because GenCom had worked in the background to resolve them before they became bigger problems. The fact members were not aware of these other issues was a testament to GenCom's effectiveness. In particular, GenCom had made great strides the last five years in regularizing the Club and ensuring it was compliant. Occasionally there were hiccups at Club events as a result of new staff and management, but overall staff did an amazing job. DWJ noticed that attendance at general meetings tended to rise when members perceived there were bigger issues and fall when the Club was more stable. The fact that attendance at general meetings had been lower of late was a positive sign, and was not indicative of a lack of interaction with members.

DWJ congratulated the new GenCom, and expressed confidence in their ability to lead the Club and deliver the level of corporate governance and stability that members expected. He noted that the Club was already well on its way to getting the lease renewed, but a central task moving forward would be to increase revenue to support the significant increase in membership and activity over the last ten years. There were seven key ordinances that governed Club operations, and all needed attention. DWJ reminded GenCom to always make corporate governance a priority, base their decisions on facts, to not act unilaterally or in haste, and to ensure members understood and were on board with their decisions. The demographic of Club members had shifted in the past 30 years from a Caucasian majority to a Cantonese majority, and future membership would likely come increasingly from Shenzhen. It was important for future GenComs to adapt to this changing demographic and use it to inform their plan and vision for the future.

DWJ showed a picture from 1994 of three ex-Commodores on a boat, including himself, and remarked on the many happy memories he had of his time at the Club. For his first 15 years as a member of HHYC, DWJ focused on sailing. For the next 17 years, he shifted his focus to GenCom. Although the passage of time was bittersweet, DWJ felt it was time well spent because of what GenCom had achieved. He noted that while it had been a privilege to serve the Club, he would not be returning for a third term as Commodore, and thanked everyone for their support and attention.

- 31.** SP thanked DWJ for his parting words of wisdom. As there was no further business, SP declared the meeting closed at 9:03pm, rang the bell, and invited those present to the Clubhouse for food and drinks on the house.

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Sonny Payne  
Commodore

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Aaron Goach  
Vice Commodore

**Appendix**  
**2024 AGM Attendance list**

**MEMBERS ATTENDING IN PERSON**

1. ASHTON, MARK
2. BAYLIS, SEAN DAVID
3. BIDDELL, CAROL ANNE
4. CHAN, CHUN KEUNG
5. CHAN, YIU MAN DANIEL
6. CONWAY, ADAM
7. DENTRY, JENNIFER ELLEN
8. GIBLIN, CATHERINE
9. GOACH, AARON ARTHUR
10. HANSELMAN, CHRISTOPHER CHARLES
11. HOUGHTON, MARK GORDON
12. HURLEY, FRANCES LEE
13. JESSOP, JAMES HARVEY
14. JOHNSTON, DONALD WILLIAM
15. LAU, CHUN PANG JOSEPH
16. LAW, SHIU MEI CYNTHIA
17. MANGADU, AADARSH NATTERI
18. MARZO, STEPHEN JEFFREY
19. MCLAREN-PEARSON, JAMES MALCOLM
20. MOSES, JENNIFER SONY
21. PAYNE, SONNY
22. PETTIT, SIRENA MARY
23. RAWBONE, KAY
24. ROBERTSON, SIMON ANTHONY
25. RYDIN, PER NICLAS HAGAN
26. SHARP, MICHAEL KENNETH
27. SHEARD, ANDREW
28. STROMPF-JEPSEN, INGE
29. VAN DER VLIET, MARCEL
30. WONG, CHUN TUNG PETER
31. WRIGHT, JOHN CHARLES

**MEMBERS ATTENDING ONLINE**

1. AU, WAI YEE STELLA
2. CHU, KWOK WAI STEVE
3. CHAN, PING YAU
4. DAUGHTON, GERALD
5. FOWLER, JOHN G.
6. HIBBERT, GERRY A
7. JEPPS, ANDREW JAMES



8. LEE, HEUNG WAH
9. LAU, WAI KWONG THOMAS
10. LO, KIN PONG
11. LAM, DAVID
12. LEUNG, KAI MAN STEPHEN
13. NARRAMORE, ANDREW
14. NG, YEE KWAN NEWTON

**MEMBERS ATTENDING BY PROXY**

1. ANDERSON, LESLEY FIONA
2. CAMPBELL, DAVID
3. CHAN, KAM HUEN JOSEPH
4. CHAU, SZE KAI SKY
5. CHEUNG, KIN KEI
6. CHEUNG, LAP KI DAVID
7. CHOI, HUNG NGAI
8. CHOW, CHUN TAK
9. CHU, KWOK WAI STEVE
10. COOK, ROBERT BRIAN
11. EDWARDS, STEPHEN
12. FU, HOI FUNG
13. GROSPERRIN, CHRISTOPHE
14. HOBAN, KEVIN JOHN
15. HUI, JOR WAH
16. HYDE, ANDREW MARK
17. KU, KA TAT BENEDICT
18. KWOK, KIM HUNG ERIC
19. LAM, TZE FAI
20. LEUNG, KWOK FAN
21. LIU, SHIU CHEONG
22. LO, KAM KUEN JOHN
23. NGAN, TZE WAH DESMOND
24. PAK, YUEN MUI
25. POWER CREATIVE LIMITED
26. PRYKE, STUART DAVID
27. TANG, WING HUNG
28. TSOI, WAI MING TOMMY
29. VACHHA, ARIEZ JEHANGIR
30. VAN OMMEREN, MICHAEL
31. VINNA, JAROSLAV PETER
32. WINKELMANN, PAUL FRANZ
33. WONG, YIU CHEUNG CRAMOND
34. WOO, KAM FOR KELVIN

35. YANG, HO LAM DAVID
36. YEUNG, SAI SHUN PAUL
37. YU, CLAYTON
38. YU, HO TING

**NAMES OF PROXIES**

1. ASHTON, MARK
2. BIDDELL, CAROL ANNE
3. GIBLIN, CATHERINE
4. GOACH, AARON ARTHUR
5. JESSOP, JAMES HARVEY
6. LAU, CHUN PANG JOSEPH
7. LAU, CHUN PANG JOSEPH
8. LEUNG, KAI MAN STEPHEN
9. LO, KIN PONG
10. RYDIN, PER NICLAS HAGAN
11. WONG, CHUN TUNG PETER