

Q1. Would the final design and construction project of MI account for environment protection and sustainable power?

Middle Island design and construction plans are subject to very detailed scrutiny in respect of environmental protection as evidenced by the work being undertaken to prepare the Environmental Impact Assessment Report. It will be necessary to obtain an Environmental Permit before proceeding with the work.

The detailed design will consider provision of sustainable materials and systems to ensure the development is constructed within the current requirements and guidelines for sustainable solutions.

Q2. When can we actually see upgrade of MI facilities?

The power supply was significantly upgraded in February 2018 and allowed the subsequent incorporation of improved kitchen equipment. The facilities of Middle Island were substantially rebuilt and improved in 2019 following the destruction caused by Typhoon Manghut in 2018. This included new changing rooms, enlarged kitchen, new plumbing systems, new electrical systems and improved decking and BBQ area.

As regard to the entire project, it will take several years before it is fully completed. The completion of the project depends on obtaining the right to develop, secondly the construction time and finally the affordability for subsequent phases of the development. We can estimate that phase 3A will be completed by 2028 assuming commencement in 2026. Phases 3B, 4 and 5 will take longer.

Q3. Does the club have enough funding for this development and the main clubhouse renovation?

Phase 3A also known as the reclamation or land formation, is estimated to cost \$95 million with a two-year construction period commencing in 2026. This funding will be available but for phase 3B and the other phases further funds will still have to be accumulated over a subsequent period of time.

As for funding for the improvement and renovation of the Main Clubhouse some funds have already been put aside but additional funding will be required for both projects in the next 5 years.

We all need to keep in mind that we are not talking about small alterations or decorations of the Main Clubhouse, but very large areas, major structural changes and a complete rebuild of some parts of the Club. This takes a long time to prepare and will cost a significant amount for consultancies to satisfy the approval process. We are planning for the next 25 years and as of today the Club does not have enough funding for everything we wish or need to do, but it is necessary to prepare now because the approval processes and accumulation of funds will take much longer. The Club will continue to provide updates on the renovation of the Main Clubhouse.

Q4. MI project is funded by building levy and entrance fees, but the building levy has not caught up with inflation. Will the Club increase the levy in line with inflation?

The building levy was set up in 2011 at \$288 and has not been increased. Your suggestion is noted and we will review the levy in 2023.

Q5. The similar RHKYC MI project has not triggered much environmental issues. Is it because their project proposed on the sideways up on the hill instead of in the sea?

The RHKYC obtained the right to develop their site around the mid 90's but did not proceed with the development until 15 years later. Since then the construction requirements for all developments have become much more demanding in terms of environmental protection.

Using the slope area at the back of our site has been considered but it is technically very challenging and much more expensive so has not been pursued.

Q6. Since F&B MI has been doing so well, will the club consider expanding the F&B facilities in the future?

Phase four includes an improvement on what we already have. The extent of the expansion of food and beverage facilities is yet to be finalized and will be considered in our overall Scope and Cost review.

Q7. Will the freshwater system and sewerage system be upgraded to cope with the development?

Yes, the development includes provision for upgrading the freshwater system and the sewerage system.

Q8. The toilets especially the ladies on MI are blocked often and a lot of sailing school students are using the toilet as well. Do we consider expanding toilet facilities in the future?

Yes. This is part of the phase 4 development where all facilities including changing rooms, and toilets will be subject to review and improvements incorporated where necessary. In the meantime we will continue with our existing regular maintenance activities to ensure problems of toilet blocking are solved

Q9. In the MI development project, does it include swimming facilities as well?

We considered the provision of a swimming pool in the early years of design development but considered the additional requirements and cost for a communal swimming pool were not justified especially as we have a swimming pool at the Main Clubhouse. However we are looking at options of how we can improve the safety of swimmers who wish to use the open water around the pontoon area.

Q10. Is it possible the government will reduce the club lease levy in the future considering the MI development project is aiming to expand and upgrade the facilities for sailing and sports training?

Unfortunately the answer is no as the development of our Club and the renewal of the lease are not managed by the same government department. The fact that we are providing a lot of non-members sailing courses does not affect the lease fees that we will have to pay as they are based on the land that we already use and not on what we do with it. The provision of many non-members courses is necessary as it is a government requirement to make our facilities available to the local community, but it will not influence the level of the land premium.