

18th May 2017

Dear Member,

We have some exciting news to share with you. As you are aware, the Board and Management of Sporties is committed to ensuring the financial stability, growth and success of our Club. Part of our strategy for achieving these goals is to look at diversifying the business of our Club as opportunities arise.

Earlier this year Kareela Golf Club (KGC) called for 'Expressions of Interests' from other registered clubs interested in exploring an amalgamation. In the current club market space, opportunities for diversification are rare, and so the Board and Management of Sporties, saw a possible amalgamation with KGC as an opportunity to grow the Sporties brand at another venue, in a neighbouring community.

As a consequence, Sporties submitted an Expression of Interest, and we are pleased to announce that after a lengthy process, we have been chosen by KGC as their preferred amalgamation partner.

KGC's management has informed us that Sporties was chosen as we are "one of Sydney's most impressive clubs". We believe our unique style of club offering will bring great benefits to their membership and community, while creating value for you, our Sporties Members.

KGC owns 11,000 square metres of land located next to a Council owned golf course. It has over 5,000 Members currently, and if the amalgamation proceeds, we will welcome the KGC Members into the Sporties family. As a two club business, Sporties (incorporating KGC) will be a larger, stronger and more resilient organisation, ready to flourish and grow.

Make no mistake, the Board and Management of Sporties remains deeply committed to growing our Moorebank home. To this end, we remain in regular discussions with Liverpool Council about purchasing adjacent land to facilitate development and expansion of our Club. This year, we have invested over \$3.9m in capital improvements to our Club, and we will continue to invest at Moorebank, to ensure our Club continues to fulfill the needs and wants of our Members.

We are also working diligently on our Gregory Hills project, having recently lodged a development application with Camden Council. We believe through these initiatives, the "Sporties Group" we will be better placed financially, to continue to grow and improve the Sporties brand, for our collective benefit and enjoyment.

As we embark on this journey, we will endeavor to keep you informed about the KGC amalgamation. This process will involve both Clubs entering into a Memorandum of Understanding and require general meetings of both Sporties' and KGC Members, to approve the amalgamation. You will receive a notice of special general meeting in due course to consider this matter.

As always, if you have any questions, please don't hesitate to contact our Chief Executive, Tracey Lentell.

Thank you for your ongoing support of Sporties, and we look forward to creating a bigger, stronger and better Club for all Members, tomorrow and into the future.

Sincerely yours

Robert Fleeton

President

For an on behalf of the Board and Management