



GUNYANG SKI LODGE LIMITED
ACN 110 585 656

ADDENDUM TO DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018

During the 2018 financial year directors have reviewed the Company's operations with the aim to update the lodge, the booking system and financial management system.;

Our aim is to ensure that shareholders have great quality accommodation in Thredbo set to last for the medium term, coupled with an easy to use online booking system. This will be the first major upgrade since the lodge was completed in 2004.

We have just completed the 2018 ski season and Thredbo enjoyed a great season of cold weather, strong visitor arrivals and most importantly snow.

The Company has also enjoyed a successful season. Our members and their families have made the most of this unique alpine lodge. Most importantly, the lodge and its membership are engaged, energetic and proud of what we have in Thredbo.

A few facts about Gunyang in 2018:

- Financially the Club earned revenue of \$160,380 and a profit of \$9,970
- Usage was 68.38% members and 31.62% non-members
- Occupancy was 90% in winter and 5% balance of year

The lodge and all its facilities 'worked hard' and pretty much we had an "issue free" season.

As we close out 2018 we have a comprehensive (and much needed) upgrade program underway at the lodge. The scope of the works includes:

- Painting - interior and exterior
- Electrical and lighting - upgrade
- Carpet - replacement
- Curtains and blinds - replacement
- Quiet room - converted to a TV room
- General maintenance - stonework, railing and roofing

These works are scheduled to be finished by mid November and we will start the 2019 calendar year with a lodge that is ready to host members and families comfortably for at least the next five years.

The works will be funded using the Company's existing overdraft which was fully repaid during the 2018 financial year.

The directors in 2018 have also focused on streamlining and upgrading the financial reporting of the Company and we now have an external part time financial manager who provides monthly financial reporting, BAS submissions and ensures the Company is dealing with all our financial matters in a positive and timely manner.

The directors have also commissioned a web based booking system that has been designed (and is operational) for ski clubs. It is our plan that this will be fully operational and ready for the 2019 ski season. Key features of this system include:

- Instantly confirmed, paid bookings
- Secure, transparent records
- Resource efficiencies for our booking officer and financial manager.

In the coming weeks all members will be provided with a detailed user guide for the new booking system.

Finally your directors have looked at facilities to assist with the sale and/or purchase of shares

Over the year a number of memberships have been transacted. The board has looked at the process and approvals for transacting shares and we ask that any members considering a share sale review the steps in the attached explanatory memorandum to ensure any sale runs smoothly.

To make this share sale process more clear and to provide the Company with powers to sell shares to recoup unpaid levies that have not been paid for a number of years – thereby improving cashflow management for the benefit of all shareholders - the directors propose amending the Company's constitution and unanimously recommend that you vote in favour of these proposed amendments. These constitutional amendments are clearly marked up in the attached document

After a successful year, the future continues to look very exciting for Gunyang.

Auditor

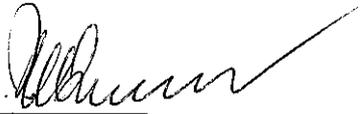
The appointed auditor is Pitcher Partners Sydney of 19-29 Martin Place Sydney.

Booking Officer

The following person held the position of booking officer at the end of the financial year:

Fiona Carpenter

We encourage you to attend the Annual General Meeting of the company and if you are not able to attend we ask that you supply your proxy to your representative.

A handwritten signature in black ink, appearing to read 'John Quinn', written over a horizontal line.

John Quinn
Chairperson

Dated in Sydney, this 30th day of October 2018