



**THE DIRECTORS OF THE SOVEREIGN ISLANDS:**

The Sovereign Islands Gateway Company Limited

ACN 005 013 230

The Sovereign Islands (Precinct No 3) Company Limited

ACN 069 209 007

The Sovereign Islands (Precinct No 4) Company Limited

ACN 096 267 042

The Sovereign Islands (Precinct No 5) Company Limited

ACN 096 874 216

The Sovereign Islands (Precinct No 6) Company Limited

ACN 104 418 180

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**Subject: Update to Members — Financial Clarification Pack, Town Hall Meeting and Next Steps**

Dear Members,

Thank you to everyone who attended the Annual General Meeting on Thursday, 15 January. The strong attendance and the tone of discussion made it clear that members care deeply about the governance, transparency and financial stewardship of the Sovereign Islands Gateway Company. The Board has heard the concerns raised, particularly in relation to the financial reports and the questions members asked about process, decision-making and key movements within the accounts.

**What the Board is doing immediately:**

To respond quickly and constructively, the Board is initiating the preparation of a **Financial Clarification Pack** to be distributed to members ahead of the continuation of the AGM.

This work will be undertaken as a priority in collaboration with our Strata Administration and the Auditor, and will be supported by a small accounting working group comprised of:

- **Susan Morton** (member volunteer and forensic accountant)
- **Peter Davidson** (member volunteer)
- **Rose McKergow** (Board member and accountant)

The purpose of this work is to provide members with a clear, factual explanation of the accounts and key issues raised, in a format that is easy to understand and supports informed discussion at the continuation of the AGM.

**Member questions will be addressed in a structured way:**

All questions submitted to the Board regarding the accounts — including those raised at the AGM and those received during the suspension period — will be collated and provided to the working group for review and comment, in conjunction with the Strata Administration and Auditor.

This will ensure that members receive:

- consistent answers,
- clear explanations supported by evidence, and
- a single, structured source of truth prior to the resumed AGM.

**Town Hall meeting (prior to AGM resumption):**

The Board will convene a **Town Hall meeting** before the continuation of the AGM, to allow members to hear the findings of the Financial Clarification Pack process, ask questions, and understand the next steps. Details of the Town Hall (date, time and format) will be issued shortly.

**Timeframe:**

The AGM has been suspended and will be reconvened at a later date. The Board intends to complete the Financial Clarification Pack **early within the suspension period**, so members have adequate time to review the information and submit any follow-up questions in an orderly way prior to the continuation of the AGM.

**Broader governance and operational support:**

The Board also acknowledges the broader member concern expressed at the AGM regarding the workload and day-to-day operational demands placed on the Chair and Board. The Board will consider options for additional support, including administrative support arrangements, and will update members accordingly.

Thank you again for your engagement and for the respectful manner in which members raised concerns and questions. The Board is committed to acting quickly and transparently to restore confidence and ensure members are properly informed ahead of the continuation of the AGM.

Kind regards,

**The Board of Directors**

The Sovereign Islands Gateway Company Limited