



G O W I N G   B R O S

Investing Together For a Secure Future

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ASX Market Announcements  
Australian Securities Exchange Limited  
Level 4, 20 Bridge Street  
SYDNEY NSW 2000

Dear Shareholder,

The impact of the virus on our two main businesses will be material. Both Pacific Coast Shopping Centres and Surf Hardware International are retail customer focused businesses. As a result of social distancing, stay at home measures, and in some markets complete Country or State lockdowns, there will be a significant reduction in sales and revenue for at least the balance of the second half of the year ending 31 July 2020.

Gowings has taken the front foot approach in our shopping centres, adopting safe distance practices, and deploying numerous hand sanitiser stations. We have also extended, to most of our smaller speciality retailers, a 3-month rental abatement from April till 30 June this year.

Depending on the economic circumstances at the end of June, this measure may need to be extended. It is very important that we work constructively together to preserve as many of our retailers as possible.

The Board of Directors along with the executive team, as we did during the GFC, have adopted a number of short-term measures to preserve capital and help navigate Gowings through to the other side of this crisis:

- i. Material reduction in Board and executive remuneration.
- ii. Overall reduction in total headcount.
- iii. Applying actively for all available subsidies.
- iv. Reducing capital expenditure to critical items.
- v. Offering flexibility in work arrangements and facilitating work from home arrangements.
- vi. Extra sharp and proactive focus on reducing expenses.



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vii. Proactive adoption of business efficiency digital platforms.

We thank the Federal Government for their Job Keeper initiative, as this will enable us to keep a number of employees on our payroll.

We continue to work constructively with our main financier, the CBA, to ensure we retain their support through this crisis period.

Of our main projects currently on the go, Stage 2 of Sawtell Commons is shovel ready and will be put on hold until we have a better understanding of sources of finance and direction of the market.

Solitary 30, our mixed-use commercial office and residential project in the Jetty precinct on Harbour Drive, Coffs Harbour, is currently in the process of constructive heritage demolition. Solitary 30 is moving closer to an exciting DA submission. The feasibility for the additions of apartments and a major new retailer to Port Central continues to be evaluated. We will be looking towards submitting a DA for this project over the coming nine months.

This is a very challenging business environment.

We all need to collectively work together to get through the crisis and emerge as a stronger Group on the other side.

I would like to thank all members of the Gowings Group for their support during this period. Everyone on the team has agreed to shoulder some of the financial burden of keeping the business running.

Yours sincerely,

John Gowing  
Managing Director<sup>1</sup>

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<sup>1</sup> Person who authorized that the document be given to the ASX (ASX LR 15.5 (c)).