



GUNYANG SKI LODGE LIMITED
ACN 110 585 656

Gunyang
January 2020
Chairman's Letter

Dear Shareholder

I wish all a Happy New Year. This December/January has proved to be very testing for many across the East Coast of Australia with the protracted drought being further challenged by bushfires that have been large scale and ferocious. Kosciuszko National Park and Thredbo have been impacted, thankfully, Gunyang and all of Thredbo at the time of writing is safe and sound - and we know that authorities are working hard to ensure it stays that way.

2020 is Gunyang's 56th year of operation. Gunyang currently has a busy strategic and operational agenda and the Board wishes to share with shareholders a number of important matters that are being actioned and considered in relation to the operation of the Club:

1) January 2020 – Occupancy

As a result of the fires and the closure of Thredbo Village as a protective measure our occupancy went from 66.00% to 16%, with the potential of going to 0% over the balance of the month if guests decide to change their plans. This has negatively impacted on our budget for 2019/20. We are keeping a close eye on Easter bookings (our next big non ski season occupancy) to see if we can recover the lost income.

2) Bed Licences

Kosciuszko Thredbo (KT), the sub lessor for the village has indicated that they are prepared to grant us additional 2 Bed licences at a cost of approximately \$150,000. This would enable Gunyang to be fully compliant (and complimented) with 12 Bed licences and 12 people fire safety approval.

The Board believes this compliance to be critical and we are looking to have this matter settled before the beginning of the 2020 ski season. This is a significant issue and associated expense, but it is critical that we are in compliance with the law.

The Board are exploring the financing options around this compliance matter and will advise shareholders of the final position in the coming months.

3) **Expansion of Platform**

Members of the Board are keen to explore a broader expansion of Gunyang's accommodation platform via additional bed licences and expansion of fire safety standards to lift our fire ratings. The potential investment case (rational, costs and funding) for this will be developed over the coming months. The driver for this review is to help Gunyang consider the challenging and at times emotional issue around inter-generational demand and usage of Gunyang. Put simply, at times accommodation demand exceeds supply.

Any material expansion of the Gunyang "footprint" require shareholder engagement, alignment and approval. The investment will be material and we would want to have the support of the majority.

4) **2020 Accommodation Tariff**

Revision - Via a number of board members there was feedback that shareholders would "prefer" not to have membership assignees pay a different rate to shareholder member rates. This being the case, the Board reversed the earlier decision and have agreed that membership fees will be increased by 10% over the 2019/20 rates - see below.

5) **Subscriptions**

All subscription notices were sent out early December and are due for payment by 15 January 2020. As at Friday 11 January 30% of members had settled their subscriptions. Please note - no shareholder can book 2020 ski accommodation if your subscriptions have not been settled.

6) **Ski Season Bookings**

The priority bookings period opens 5pm 1 February 2020. The bookings are made online via <https://gunyang.com.au/bookings> Our Booking Officer: Danielle Stevenson Ph 0418 502 599 is available to support and assist with any enquires or technical difficulties.

At present Gunyang is in good financial shape. The existing working overdraft was used for the renovations which were completed before the start of the last ski season.

We were delighted with the feedback over the course of 2019 that was received about the Gunyang refreshed booking program implementation. As a Board we remain committed to our focus on the maximising value and overall guest experience when staying at Gunyang.

Please contact me by email if you have any comments or queries on the above.

Yours sincerely,

JOHN QUINN



Dated 16 January, 2020

Gunyang Ski Lodge Limited Booking Rates

Winter 2020

Member/Assignee winter booking open 1/2/20 at 5pm. Public booking open on 15/2/20 at 9am.

Changeover days are Friday and/or Sunday only (except long weekends)

	<u>Members</u>	<u>Non-Members</u>
<u>Off Peak</u> 5/6/20 - 18/6/20 & 25/9/20 - 5/10/20		
Weekend Rate (2 nights)	\$302.50	\$605.00
Long Weekend* (3 night)	\$453.75	\$907.50
Mid Week Rate (5 nights)	\$550.00	\$1,100.00
Full Weekly Rate (7 nights)	\$770.00	\$1,540.00

- Long weekend is the first and last weekend of the season

Shoulder 19/6/20 - 25/6/20 & 7/9/20 - 24/9/20

Weekend Rate (2 nights)	\$455.00	\$910.00
Mid Week Rate (5 nights)	\$825.00	\$1,650.00
Full Weekly Rate (7 nights)	\$1,155.00	\$2,310.00

Peak 26/6/20 - 6/9/20

Weekend Rate (2 nights)	\$605.00	\$1,210.00
Mid Week Rate (5 nights)	\$1,100.00	\$2,200.00
Full Weekly Rate (7 nights)	\$1,540.00	\$3,080.00

Summer 2020/2021

Summer bookings can be made 12 months advance, a 50% deposit is required to confirm booking, balance payable 21 days before stay.

Summer Off Peak 6/10/20 - 17/12/20, 27/1/21 - 31/3/21 & 27/4/21 - 10/6/21

Daily rate (Min 2 nights)	\$66.00	\$132.00
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Summer Peak 18/12/20 - 26 /1/21 & 1/4/21 - 26/4/21A

Daily rate (Min 2 nights)	\$82.50	\$165.00
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