



26 May 2017

Market Announcements Office
Australian Securities Exchange
PO Box H224
AUSTRALIA SQUARE NSW 1215

Dear Sir/Madam

Update for the first half 2017 ahead of the Annual General Meeting on 26 May 2017

Our current estimate of the distributable profit* for the first half year from 1 January 2017 to 30 June 2017 is approximately \$3.5 million.

The Trust's main revenue is rent from the Reef Hotel Casino. The first half year is the low season for Cairns. For the first 4 months, rentals paid to the Trust was 17% below last year.

A complete absence of charter and direct flights from China and other parts of Asia into Cairns resulted in an ordinary Chinese New Year trading season in January and February 2017 for Cairns as a whole. So far this year, Cairns' economy has been quiet and softer than the previous year. Local slots competition from clubs and hotels/pubs remain strong. The major clubs had renovated their premises some 2 years before us as our own renovation plans were delayed by the takeover bid in 2013/14.

Trust depreciation is higher than the previous year following the refurbishment of level 1 of the complex.

Our new facilities on level 1 of the Reef Hotel Casino complex have been well received by our patrons and our ongoing challenge will be to leverage complex patronage into casino slots patronage. Already we are seeing increased patronage and revenues from our new BAR36 and expanded Tamarind Restaurant.

We will further update unitholders about the Trust's likely first half year results and any use of the undistributed income account which has a balance of 12.11 cents per unit or \$6.03 million as at 31 December 2016 in late June, about 4 weeks from now, when we release our unit distribution announcement.

Yours faithfully

Allan Tan
Executive Director
Reef Corporate Services Limited
Responsible Entity, Reef Casino Trust

** Distributable profit is a non-IFRS measure that is determined in accordance with the Trust Constitution and used as the basis for determining distributions to unitholders. Distributable profit is determined as net profit for the period, adding back distributions to unitholders which have been treated as finance costs in accordance with IFRS. The estimated distributable profit has not been audited.*

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