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REEF
CASINO TRUST

29 October 2020

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

Quarterly Activity Report
For the quarter 1 July 2020 to 30 September 2020

Trust Business activities
The Reef Hotel Casino complex in Cairns is the Trust's main asset.

Forced closure due to COVID-19 – 23 March 2020 to 2 July 2020

Closure of Reef Hotel Casino complex
The Queensland Government mandated the closure of the Reef Hotel Casino complex commencing 23 March 2020 due to COVID-19. All revenue generating operations ceased.

Reopening of Reef Hotel Casino complex
The casino including in-casino food and beverage venues re-opened for trading on 3 July 2020 in accordance with the Queensland Government's announcement of Stage 3 of the roadmap easing COVID-19 restrictions. The complex's hotel rooms and other food & beverage venues opened throughout the following week. The operator of the Reef Hotel Casino complex, Casinos Austria International (Cairns) Pty Ltd has implemented a COVID Safe Plan approved by Queensland Health. This plan included operational restrictions including cap on capacity, social distancing measures, contract tracing measures and COVID safe cleaning.

Trading during quarter ended 30 September 2020 at Reef Hotel Casino
The operator of the Reef Hotel Casino has reported positive trading for the quarter resulting in positive rental income for the Trust. The rental paid by the Reef Hotel Casino to the Trust was partly assisted by the approx. $2,400,000 positive impact of the Federal Government's JobKeeper subsidy on its overall results.

The initial JobKeeper program ended on 27 September 2020. The Reef Hotel Casino is not eligible for JobKeeper payments after 28 September 2020. However, it qualified as a legacy employer and has access to modified flexibility measures from 28 September 2020.

Trading during quarter ended 30 September 2020 for Reef Casino Trust
The Trust received rental income from the Reef Hotel Casino during the quarter.

The Trust has had a solid start to the 2nd half year of 2020. Trust trading for the quarter has been strong with strong rental income received from the Reef Hotel Casino. This has resulted in a strong profit for the Trust for the quarter.

Due to the on-going COVID-19 situation, economic and trading conditions in Cairns and the region remain challenging. The outlook regarding the COVID-19 situation still remains uncertain.

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ARSN 093 156 293

Responsible Entity -
Reef Corporate Services Limited
ABN 66 057 599 621, AFSL 246699

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Trust Expenditure
Operating expenditure during the quarter totalled $1,494,000 including property outgoings, rates and taxes, repairs and maintenance, responsible entity fees and other administrative costs.

Capital expenditure during the quarter was $221,000. Only essential capital items were approved.

Related party transactions
Payments to related parties included in item 6.1 of the attached Appendix 4C relate to:

- non-executive director fees and related on-costs. Directors' fees were reduced by 50% for the quarter.
- Responsible Entity Fees (including GST) including the amount deferred from April until July with the agreement of the Responsible Entity.
- Refund of rental income (including GST) to the lessee (operator) of the Reef Hotel Casino.
- Operating expenses (including GST) paid by the Trust to the lessee (operator) of the Reef Hotel Casino.
- Reimbursements (including GST) to Casinos Austria International Limited for executives involved in the management of the Trust.

In addition, during the quarter the Trust received rental income from the lessee (operator) of the Reef Hotel Casino net of operating costs. Rental income and expenses are shown gross in item 1.1 and 1.2 of the attached Appendix 4C.

Payments to related parties included in item 6.2 of the attached Appendix 4C relate to a working capital loan of $1,000,000 advanced to the lessee (operator) of the Reef Hotel Casino complex to assist with the reopening of complex operations. The lessee repaid the loan in full during the quarter.

Authorised by the Board

Enquiries/further information please contact
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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

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Name of entity	
Reef Casino Trust	
ABN	**Quarter ended ("current quarter")**
90 464 324 877	30/09/2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	6,408	10,290
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs	-	-
	(f) administration and corporate costs	(2,221)	(6,066)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	23	39
1.5	Interest and other costs of finance paid	(73)	(164)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**4,137**	**4,099**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(221)	(1,072)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	1,000	1,000
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material): Loan advanced to other entities	(1,000)	(1,000)
2.6	**Net cash from / (used in) investing activities**	**(221)**	**(1,072)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	2,000	6,000
3.6	Repayment of borrowings	(2,500)	(2,500)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	(5,279)
3.9	Other (provide details if material)	(24)	(54)
3.10	**Net cash from / (used in) financing activities**	**(524)**	**(1,833)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	759	2,957
4.2	Net cash from / (used in) operating activities (item 1.9 above)	4,137	4,099
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(221)	(1,072)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(524)	(1,833)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**4,151**	**4,151**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	4,151	759
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**4,151**	**759**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	1,339
6.2	Aggregate amount of payments to related parties and their associates included in item 2	1,000

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	13,500	4,000
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	13,500	4,000

7.5	**Unused financing facilities available at quarter end**	9,500

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Bank loan from BOQ Limited (expires 31 January 2022) secured by a registered first and second mortgage over the Special Lease (a Crown lease for a term of 75 years under which the Trust occupies the site on which the complex is built) and a first ranking fixed and floating equitable charge over the whole of the assets and undertakings of the Trust.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	4,137
8.2	Cash and cash equivalents at quarter end (item 4.6)	4,151
8.3	Unused finance facilities available at quarter end (item 7.5)	9,500
8.4	Total available funding (item 8.2 + item 8.3)	13,651

8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	N/A

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:
N/A

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:
N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:
N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: ...29 October 2020.....

Authorised by: .The board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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