



ASX/MEDIA RELEASE
FOR IMMEDIATE RELEASE
31 July 2019

MESSAGE FROM THE CROWN RESORTS BOARD

MELBOURNE: Crown Resorts Limited (ASX: CWN) refers to its announcement of 30 July 2019 and attaches a message from the Crown Resorts Board of Directors.

ENDS

COPIES OF RELEASES

Copies of previous media and ASX announcements issued by Crown are available at Crown's website at www.crownresorts.com.au

Setting the record straight in the face of a deceitful campaign against Crown

The '60 Minutes' programme on Sunday night and related articles in the Fairfax Press have unfairly attempted to damage Crown's reputation.

As a Board, we are extremely concerned for our staff, shareholders and other stakeholders, as much of this unbalanced and sensationalised reporting is based on unsubstantiated allegations, exaggerations, unsupported connections and outright falsehoods.

Crown operates in one of the most highly regulated industries in Australia and takes its responsibility to comply with its obligations very seriously.

There are numerous examples of poor or misleading journalism which include:

- (a) it was wrongly inferred that the Chinese President's cousin was found on Crown's private jet by Australian law enforcement authorities, when in fact the jet was not owned or chartered by Crown;
- (b) CCTV video footage from 2012 was aired, showing a person alleged to be receiving a plastic bag of cash at a vegetable market, but there was no mention of the fact that the individual was excluded from the casino by Crown acting on its own volition more than six years ago;
- (c) extensive references in the '60 Minutes' programme to alleged criminal connections of an organisation said to be called 'the Company'. Crown has had no dealings or knowledge of any organisation of that name or description;
- (d) there was no sense conveyed in either the '60 Minutes' programme or in subsequent media reporting that junkets are an established and accepted part of the operations of international casinos; and
- (e) no reference was made to the facts that:
 - (i) the parent of the SunCity junket is a large company listed on the Hong Kong Stock Exchange, which operates globally; and
 - (ii) Crown does not now deal with any of the other junket operators or players mentioned in the programme, apart from one local player, and none of the international players mentioned have gambled at Crown venues for at least three years.

Junket operators

Much was sought to be made in the programme of the conduct of 'Crown's junket operators'. In fact the junkets are not Crown's. They are independent operators who arrange for their customers to visit many casinos globally. Crown deals with junkets and their customers in essentially the same way as other international casinos.

Macau-based junkets are required to be licensed there and are subject to regulatory oversight and probity checks. There are also other casino regulators in Australia and overseas which review junket operators and their dealings with licensed casinos.

Crown itself has a robust process for vetting junket operators, including a combination of probity, integrity and police checks, and Crown undertakes regular reviews of these operators in the light of new or additional information.

Anti-money laundering

The programme also made various allegations of money laundering, implying that Crown facilitates it, or turns a 'blind eye' to it. In fact Crown has a comprehensive anti-money laundering and counter-terrorism financing program which is subject to ongoing regulatory supervision by AUSTRAC. Crown takes its regulatory obligations very seriously, and works closely with all of its regulatory agencies, including state and federal law enforcement bodies. Crown provides a range of information in a proactive manner in accordance with its regulatory obligations, including the reporting of all transactions over \$10,000 and the reporting of suspect transactions of any value.

As Nine/Fairfax would be aware, Crown is bound by non-disclosure provisions in legislation relating to anti-money laundering and counter-terrorism financing, and by privacy considerations. Crown is therefore constrained in responding to many of the unfounded allegations made in the media reports relating to various individuals/organisations, or in disclosing details of matters it has reported to AUSTRAC or to other investigative/enforcement authorities.

Crown welcomes the opportunity to provide such information as may assist the Australian Commission for Law Enforcement Integrity in its investigation and encourages any person who, or organisation which, has cogent evidence that any junket operator or affiliate (or anyone else) has engaged in unlawful or improper conduct, to present that evidence to the relevant authority.

Detentions in China in 2016

The programme also rehashed some of the content of an earlier 'Four Corners' programme in relation to the detention of Crown group staff in China in 2016.

The foundation of the criticism of Crown in the programme is that Crown knew that the conduct of its staff constituted an offence in China and that it deliberately flouted the law.

This is wrong. Crown was not charged with or convicted of any offence in China.

The relevant prohibition under Chinese law is contained in Article 303 which concerns arranging 'gambling parties'. At all times Crown understood that its staff were operating in a manner which did not breach that provision.

Also, at all relevant times, Crown obtained legal and government relations advice from reputable, independent specialists. The fact that staff were nevertheless detained and convicted is not an indication that the advice was wrong or disregarded, but an illustration of the challenges involved in anticipating how foreign laws can be interpreted and enforced.

The '60 Minutes' programme featured a former junior employee and several purported experts. Whether they were paid for the '60 Minutes' appearance was not disclosed. Also, the objectivity of the former employee is open to question on the basis that she made an unsuccessful demand for compensation from Crown of over 50 times her final annual salary.

Visa processing

The last set of allegations concern visa processing. Crown has not sought to circumvent visa requirements or compromise any process of identification or verification for immigration purposes.

Crown is a highly reputable Australian and global tourism operator

Crown is one of Australia's largest and most recognisable entertainment/tourism operators, with over 18,000 people working at its Australian resorts, and it makes a major contribution to the Australian economy. Moreover, Crown recognises its responsibility to the community and with the Packer Family Foundation is donating \$200 million to Australia's charitable, arts and medical sectors.

As an ASX listed company and a Board we are always striving to ensure we have the highest levels of governance and a commitment to the highest standards. It is deeply disappointing that the media involved in these inflammatory stories have not upheld the same principles.

A message from the Crown Resorts Board of Directors

John Alexander	Andrew Demetriou	Antonia Korsanos
Guy Jalland	Geoff Dixon	Harold Mitchell
Michael Johnston	Jane Halton	John Poynton
Hon Helen Coonan	Prof. John Horvath	