

9 August 2019

Our ref:

Mr Joshua Preston
Chief Legal officer - Australian Resorts
Crown Resorts Ltd
8 Whiteman St
SOUTHBANK VIC 3006

Dear Mr Preston

Section 26 Notice - Request for information regarding junket operators

The Victorian Commission for Gambling and Liquor Regulation (**VCGLR**) is undertaking enquiries in relation to the processes and procedures undertaken by Crown Resorts Limited (and its associated corporate entities, including Crown Melbourne Limited) (**Crown**) to enter agreements with junket operators to operate junkets at the Melbourne Casino and the ongoing probity monitoring of junkets by Crown.

As you would be aware, section 121 of the *Casino Control Act 1991* (**CC Act**) states that a casino operator must not conduct operations in the casino unless the Commission has approved in writing of a system of internal controls and administrative and accounting procedures for the casino. The relevant internal control is the Internal Control Statement - Junket and Premium Player Programs, Version 10.0 approved on 24 December 2015 (**ICS**).

The ICS relevantly requires that:

- Crown will ensure it has robust processes in place to consider the ongoing probity of its registered Junket Operators, Junket Players & Premium Players: clause 2.5.1; and
- Crown will cease its relationship with a registered Junket Operator (or agent) or a person introducing players if formally requested to do so by the VCGLR: clause 2.5.2.

In accordance with section 26 of the CC Act, and in furtherance to the Commission's functions outlined in section 9 of the *Victorian Commission for Gambling and Liquor Regulation Act 2011* and section 141 of the CC Act, I, as the delegate of the VCGLR, require Crown to provide the following information and records to the VCGLR.

Please provide the following information:

1. When did Crown first enter into any arrangements with the following persons or entities in relation to the conduct of junket operations:
 - Mr Alvin Chau (and/or the "Suncity Junket");
 - Mr Tom Zhou, aka Mr Chinatown;
 - Mr Zhao Yuan Pan, aka Mr Simon Pan;
 - Mr Roy Moo; and
 - Mr Song Zezhai (and/or the "Song Junket"),
 (together, the **Relevant Entities**).

2. What initial probity action (i.e. action to ensure the probity of a proposed junket operator), including checks with external sources, did Crown undertake prior to entering junket arrangements with the Relevant Entities?
3. What probity monitoring action (i.e. action to monitor the ongoing probity of a registered junket operator as required by clause 2.5.1 of ICS) did Crown undertake after entering junket arrangements with the Relevant Entities?
4. In relation to the Relevant Entities, please detail:
 - a. whether any are currently registered as Junket Operators, Junket Players or Premium Players;
 - b. any action taken by Crown to cease its relationship with any of the Relevant Entities, and the reasons for taking such actions, in their capacity of:
 - i. Junket Operator, Junket Player or Premium Player; and
 - ii. regular patron of the Melbourne casino; and
 - c. if any of the Relevant Entities remain registered, whether Crown intends to conduct further ongoing probity monitoring in light of recent media reports, and if so, by when.
5. Please detail whether any of the Relevant Entities currently are, or in the past were, subject to an exclusion order under the CC Act or equivalent gambling legislation from any casino within the Crown group. If so, please outline the relevant dates and reasons for such exclusion orders.
6. Please detail whether any of the Relevant Entities currently are, or in the past were, subject to a withdrawal of licence from any casino within the Crown group. If so, please outline the relevant dates and reasons for such withdrawals of licence.
7. Between 1 July 2014 and 30 June 2019, how many persons or companies were refused approval by Crown to act as a junket operator (or agent) on probity grounds (i.e. how many entities did Crown refuse to engage as a junket operator due to probity issues/concerns?)

Please provide the following records:

8. All records of the initial probity action and ongoing probity monitoring action taken by Crown, including all records obtained from external sources and checks made with external sources, in relation to the Relevant Entities.

Crown is required to provide:

- the information under items 1 to 4 above by **5pm on 14 August 2019**;
- the information under items 5 to 7 above by **5pm on 16 August 2019**; and
- the records under item 8 above by **5pm on 23 August 2019**.

Please contact me on [REDACTED] if you have any queries.

Adam Ockwell
Director, Compliance