



**Game of Thrones; the final cut**

<b>Company/ASX Code</b>	<b>CWN</b>
<b>Scheme Meeting date</b>	Friday 29 April 2022, 10am EST
<b>Time and location</b>	Online, <a href="https://meetnow.global/MQFCGRC">https://meetnow.global/MQFCGRC</a> .
<b>Registry</b>	Computershare
<b>Webcast</b>	Yes
<b>Poll or show of hands</b>	Poll on the scheme offer
<b>Monitor</b>	Stewart Burn, Katja Bizilj
<b>Pre-EGM Meeting?</b>	Yes with Chair Ziggy Switkowski

<b>Item 1</b>	The purpose of the Scheme Meeting is to consider, and, if thought fit, to agree to a Scheme (with or without modification or conditions) to be made between Crown and Scheme Shareholders, Blackstone.
<b>ASA Vote</b>	The ASA does not offer advice on how to vote. Please consult your financial advisor. We recommend reading the Grant Samuel opinion in the 270-page scheme booklet.

**Summary of ASA Position**

Blackstone’s offer for Crown Resorts.

Blackstone has made an offer to take over Crown Resorts for \$13.10 a share compared to the current price of \$12.84 to be voted on by April 29. In considering this offer, shareholders need to consider whether a higher offer potentially exists and what would happen to the share price if the Blackstone offer was unsuccessful. In discussions with the Chairman of Crown resorts, they did not consider a higher offer would be available and recommended shareholders accept this offer.

The booklet outlining the scheme was accompanied by an extensive third-party opinion by Grant Samuel regarding the offer’s fairness and reasonableness. This was supported by a comprehensive analysis of the market, the risks still outstanding and the history of offers, and concluded among other matters that the offer of \$13.10 had been increased from an initial offer by Blackstone of \$11.85 and was in the market long enough to flush out stronger bids. In summary, their conclusion is the offer is fair and reasonable and represented a fair premium for control of this company.

Some risks shareholders need to consider are the potential VGCCC fine of up to \$100m and the potential AUSTRAC fine of up to \$1b. Also, Blackstone may withdraw their offer if penalties exceed \$750m, although the exact details of this are unclear. Crown also requires the regulatory approval of all three states for the offer to proceed. A significant number of risks remain, even if the scheme receives support from shareholders.

The CEO, appointed in October 2021, will be eligible for a retention bonus of 400k shares with value of \$5.2m should the takeover proceed. This bonus was originally intended to be paid out over two years and will be paid after less than a year's service. We did question the Chairman about this payout as we considered it excessive and thought it should have been pro-rated for his time in office.

We underlined that at the time of the new CEO's appointment, Blackstone was already circling Crown and was widely expected to make a takeover offer. The response was he negotiated the \$13.10 deal and a few cents of this would cover the CEO's generous payout. Our view was this was his day job.

**Please note any potential conflict as follows:** The individual(s) (or their associates) involved in the preparation of this voting intention have no shareholding in this company.

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