



# John Keells Holdings PLC

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30 April 2024

Renuke Wijayawardhane  
Chief Regulatory Officer  
Colombo Stock Exchange  
04-01, West Block,  
World Trade Centre,  
Echelon Square,  
Colombo 1.

Dear Sir,

## **JOHN KEELLS HOLDINGS PLC (JKH)**

### **ANNOUNCEMENT**

**John Keells Group (JKH) partners with Melco for its integrated resort project developed by Waterfront Properties (Private) Limited (WPL), a fully owned subsidiary of JKH.**

Further to the Memorandum of Understanding (MoU) with a leading international gaming operator, JKH wishes to announce that a wholly-owned subsidiary of Melco Resorts & Entertainment Limited ('Melco') will be the operator of the gaming facility at the Cinnamon Life Integrated Resort, which has been developed by the John Keells Group at an investment of over USD 1 billion. Melco will also invest approximately USD 125 million in the fit-out and equipping of the gaming space. Melco is one of the world's leading casino and integrated resort operators with internationally renowned integrated resorts in Macau, the Philippines and Cyprus, as elaborated further in this Announcement.

We also wish to announce that as part of the collaboration between JKH and Melco, the integrated resort, which had previously been branded as 'Cinnamon Life Integrated Resort', will be rebranded as 'City of Dreams Sri Lanka'. 'City of Dreams' is the flagship integrated resort brand of Melco. 'City of Dreams Sri Lanka' will be the first fully-fledged integrated resort in the whole of South Asia and is expected to create an upsurge in tourism, foreign exchange earnings and employment generation in the city of Colombo, similar to other cities that have opened iconic integrated resorts of this nature.

Being the largest and most ambitious private sector investment in the country, undertaken by the John Keells Group, this multifaceted integrated resort will cater to a multitude of customers from leisure to business to family-centric activities. 'City of Dreams Sri Lanka' will encompass a luxurious 687-key hotel branded as 'Cinnamon Life', which will comprise of a range of ballrooms and banquet facilities including an exhibition centre, that, together, can accommodate meetings, incentives, conferences, and exhibitions (MICE) events of up to 5,000 seats. 'City of Dreams Sri Lanka' will also include a 113-key exclusive hotel and a 500,000 square foot shopping and entertainment facility, including the gaming operations.

The 687-key 'Cinnamon Life' hotel and related facilities are in the final stages of fit-out and completion and is slated to commence operations by the third quarter of the calendar year 2024. The 113-key exclusive hotel, situated on the top 5 floors of the integrated resort, will be managed by Melco under its ultra high-end luxury hotel brand 'Nuwa', which has presence in Macau and the Philippines. Melco's ultra high-end luxury-standard hotel and casino, together with its global brand and footprint, will strongly complement the MICE, entertainment, shopping, dining and leisure offerings in the 'City of Dreams Sri Lanka' integrated resort, establishing it as a one-of-a-kind destination in South Asia and the region.

As envisaged, the structure of the gaming operations at the integrated resort owned by WPL, a subsidiary of the John Keells Group, will see Melco investing in the fit-out of the casino and leasing approximately 180,000 square feet from WPL, in its capacity of owner and landlord, to operate the casino within 'City of Dreams Sri Lanka'. We also wish to confirm that a wholly-owned locally incorporated subsidiary of Melco has been awarded a license from the Government of Sri Lanka for a period of 20 years, under the stipulated criteria, to operate a casino at the integrated resort.

WPL and Melco have finalised all key aspects of the commercial agreements, including the rental framework, commensurate with the terms of the license. Melco has carried out a significant amount of advanced design work, engineering and other construction and planning work, and based on the substantial ground-work carried out and completion of the main regulatory requirement, the fit-out of the space is expected to commence shortly with operations currently expected to commence in mid-2025.

Melco is an owner, operator and developer of award-winning integrated resorts around the world with hotels and casinos in Macau, the Philippines and Cyprus. Melco's properties include 13 luxury hotels with approximately 6,300 hotel rooms, MICE facilities, internationally recognised shows and events, and over 1.2 million square feet of gaming areas. Founded in 2004, Melco is listed on the NASDAQ with a market capitalisation of approximately USD 2.9 billion as at 29 April 2024 (pre-covid (December 2019) market capitalisation was approximately USD 11.5 billion), with over 20,000 employees.

The collaboration with Melco, including access to the technical, marketing, branding and loyalty programmes, expertise and governance structures, will be a boost for not only the integrated resort of the John Keells Group but a strong show of confidence in the tourism potential of the country. We are confident that the convergence of all elements in the launch of 'City of Dreams Sri Lanka' will unlock its full potential as a transformative development in South Asia and be a catalyst in creating tourism demand, foreign exchange earnings for Sri Lanka and generating employment while ensuring the synergies emanating from the various elements of the integrated resort, including the 'Cinnamon Life' hotel and its related facilities, will contribute towards ensuring the commercial aspects of the project are optimised.

Yours faithfully,

**John Keells Holdings PLC**



Gihan Cooray

**Deputy Chairperson/Group Finance Director**