THE STAR

ASX Announcement

30 September 2024

FY2024 FINANCIAL REPORT

The Star Entertainment Group Limited (ASX:SGR) (**The Star**) provides its audited Financial Report for the year ended 30 June 2024 (including the Directors' Report and Remuneration Report) in accordance with ASX Listing Rule 4.5.1.

Authorised by:

Board of Directors

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THE STAR ENTERTAINMENT GROUP

THE STAR ENTERTAINMENT GROUP LIMITED

A.C.N 149 629 023

ASX Code: SGR

AND ITS CONTROLLED ENTITIES

DIRECTORS', REMUNERATION AND FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2024

THE STAR ENTERTAINMENT GROUP

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FOR THE YEAR ENDED 30 JUNE 2024

THE STAR ENTERTAINMENT GROUP

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2024

The Directors of The Star Entertainment Group Limited (the ***Company***) submit their report for the consolidated entity comprising the Company and its controlled entities (collectively referred to as the Group) in respect of the financial year ended 30 June 2024.

1 DIRECTORS

The names and titles of the Company's Directors in office during the financial year ended 30 June 2024 and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Directors	
Anne Ward [a]	Chairman and Independent Non-Executive Director
Peter Hodgson [b]	Independent Non-Executive Director
Michael Issenberg	Independent Non-Executive Director
Deborah Page AM	Independent Non-Executive Director
Antonia Thornton [c]	Independent Non-Executive Director
Former	
Robbie Cooke [d]	Group Chief Executive Officer and Managing Director
David Foster [e]	Executive Director

a Appointed as Chairman on 29 April 2024 (Independent Non-Executive Director since 18 November 2022).

b Appointed as Independent Non-Executive Director on 7 February 2024 following the receipt of all necessary regulatory approvals.

c Appointed as Independent Non-Executive Director on 17 October 2023 following the receipt of all necessary regulatory approvals.

d Ceased as Group Chief Executive Officer and Managing Director on 22 March 2024.

e Ceased as Independent Non-Executive Director on 22 March 2024, appointed as Executive Director/Chairman on 22 March 2024, ceased as Chairman on 29 April 2024, and ceased as Executive Director on 21 June 2024.

2 OPERATING AND FINANCIAL REVIEW

The Operating and Financial Review for the year ended 30 June 2024 has been designed to provide shareholders with an overview of the Group's operations, financial position, business strategies and prospects. The review also discusses the impact of key transactions and events that have taken place during the reporting period and material business risks faced by the Group, to assist shareholders to make an informed assessment of the results and future prospects of the Company. The review complements the Financial Report and has been prepared in accordance with the guidance set out in ASIC's Regulatory Guide 247.

2.1 PRINCIPAL ACTIVITIES

The principal activities of the Group are the management of entertainment and leisure destinations with gaming, entertainment and hospitality services.

The Group operates The Star Sydney (***Sydney***) and The Star Gold Coast (***Gold Coast***). The Group operated Treasury Brisbane (***Brisbane***) up until its closure on 25 August 2024 and will surrender its licence no later than 23 October 2024. On 28 August 2024, Destination Brisbane Consortium Queens Wharf Integrated Resort (***DBC***) joint venture (of which the Group owns 50%) was issued a casino licence for The Star Brisbane, which subsequently commenced operation on 29 August 2024 under the management of the Group through an agreement with DBC.

The Group also manages the Gold Coast Convention and Exhibition Centre on behalf of the Queensland Government and invests in a number of strategic joint ventures.

The Group owns Broadbeach Island on which The Star Gold Coast casino is located.

In 2022, reviews were conducted into the operations of The Star Sydney by Mr Adam Bell SC (***Bell One***) and into the operations of The Star Gold Coast and Treasury Brisbane by the Hon. Robert Gotterson AO (***Gotterson***). The following actions were taken by the respective regulators relating to the Group's casino licences since the Bell One and Gotterson reviews.

Sydney

On 17 October 2022, the Group received written notice from the New South Wales Independent Casino Commission (the ***NICC***) under section 23(4)(a) of the *Casino Control Act 1992 (NSW)* (***NSW CCA***) that The Star Pty Limited (***The Star Sydney***), being the New South Wales (***NSW***) casino licence holder and wholly owned subsidiary of the Group, has had its licence suspended indefinitely, with effect from Friday, 21 October 2022. Also effective from this date, the NICC appointed a Manager of the Sydney casino under section 28 of the NSW CCA.

In November 2023, the NICC requested that the term of the appointment of the Manager be extended by regulation to 30 June 2024. Following the commencement of a second inquiry on 19 February 2024 conducted by Mr Adam Bell SC (***Bell Two***) the NICC confirmed on 25 March 2024 that it intended to seek a further extension of the term of the Manager's appointment to 30 September 2024 to allow for Mr Bell's report (***Bell Two Report***) and findings to be delivered on 31 July 2024. The purpose of Bell Two was to investigate the suitability of The Star Sydney and its close associate, the Company, to be concerned in or associated with the management and operation of The Star Sydney Casino. The Manager's appointment was further extended on 1 August 2024 to 31 March 2025. On 30 August 2024, the NICC provided the Company and The Star Sydney a copy of the Bell Two Report. A copy of the non-confidential parts of the Bell Two Report was released to the public on the same day.

The Company and The Star Sydney acknowledge the findings of the Bell Two Report. While the Bell Two Report finds that there has been substantial reform of the control environment of The Star Sydney and a material improvement in risk management resources, systems, and culture, along with the "positive steps" of the recent appointments of experienced personnel to important leadership positions in the Company, it nonetheless concludes that the Company and The Star Sydney are presently unsuitable to be concerned in, or associated with, the management and operation of The Star Sydney. The Company and The Star Sydney accepted during the Bell Two Inquiry that The Star Sydney was not presently suitable to hold a licence in its own right.

The Bell Two Report made findings and recommendations in relation to four areas of non-compliance which resulted in various breaches by The Star Sydney during 2023 and 2024 which are the subject of ongoing consideration by the NICC and could, in the future, potentially involve the imposition of fines and penalties under the relevant NSW legislation. A range of outcomes against The Star Sydney are possible, including among other things, the imposition of a penalty, letter of censure, amendments to the conditions, further suspension, or cancellation, of The Star Sydney's licence.

On 13 September 2024, the NICC served a 'show cause' notice (***Notice***) on the Company, requesting a response to the Breach Findings from the Bell Two inquiry. The NICC has also requested information about the Company's current financial position and its plans to address these issues so that it can make informed decisions about the Company's financial suitability to hold the casino licence for The Star Sydney. The Company lodged its response on Friday, 27 September 2024. The Company and The Star Sydney are considering the recommendations and guidance in the Bell Two Report and, subject to any response to the Bell Two Report by the NICC, will seek to implement relevant recommendations at an appropriate time, noting that the Company has already completed a comprehensive re-set of the remediation plan (see 2.2.1 below).

Gold Coast and Brisbane

On 9 December 2022, the Group received written notice from the Queensland Attorney-General (***Qld A-G***) and the Queensland regulator, the Office of Liquor and Gaming Regulation (***OLGR***), of the following disciplinary action under section 31 of the *Casino Control Act 1982 (Qld)* in relation to its subsidiaries, The Star Entertainment QLD Limited (the licensee of Treasury Brisbane) and lessee of The Star Gold Coast and The Star Entertainment QLD Custodian Pty Ltd (the licensee of The Star Gold Coast):

- The Treasury Brisbane and The Star Gold Coast casino licences were suspended for a period of 90 days on a deferred basis with effect from 1 December 2023; and
- A Special Manager was appointed to monitor operations of Treasury Brisbane and The Star Gold Coast.

On 24 November 2023, the Group received confirmation that the Remediation Plan had been approved by the Qld A-G in accordance with the provisions of the *Casino Control Act (QLD)*, as applying to the casino entities for The Star Gold Coast and Treasury Brisbane casinos. Following this decision, on the recommendation of the Qld A-G, the Governor-in-Council approved:

- changing the date of effect of the 90 day casino licence suspensions for The Star Gold Coast and Treasury Brisbane casinos from 1 December 2023 to 31 May 2024; and
- extending the term of the Special Manager for The Star Gold Coast and Treasury Brisbane casinos by 12 months to 8 December 2024.

On 17 May 2024, the Group was advised by OLGR, on the recommendation of the Qld A-G, that the Governor-in-Council approved changing the date of effect of the licence suspensions for The Star Gold Coast and Treasury Brisbane casinos from 31 May 2024 to 20 December 2024. The Company has been advised that this will allow the Queensland Government to consider the outcomes of Bell Two and to better assess the Group's remediation progress, before making further decisions. The term of the Special Manager appointment for The Star Gold Coast and Treasury Brisbane casinos remains unchanged and is currently due to end on 8 December 2024 (no later than 23 October 2024 for Treasury Brisbane on surrender of its casino licence following the opening of The Star Brisbane).

On the direction of the Department of Justice and Attorney-General dated 28 August 2024, an External Adviser has been appointed by the Minister for The Star Brisbane casino operations which are managed by the Group. On the same date, the Group was also directed by the Department of Justice and Attorney-General to prepare a plan for the remediation of the management and operations of The Star Brisbane.

2.2 BUSINESS STRATEGIES

The Group's primary strategies can be split into three main categories:

2.2.1 Remediation and returning to suitability

Following the findings from the Bell Two Report, the Company has prepared an amended remediation plan which incorporates a number of enhancements to the previously approved version of the plan. After extensive engagement with the Manager (The Star Sydney), Special Manager (The Star Gold Coast), External Adviser (The Star Brisbane) to obtain feedback, the Company submitted the amended plan and associated documents to OLGR in Queensland on 18 September 2024 for consideration and approval by the Qld A-G. Copies of the plan and associated documents were also submitted to the NICC for information on 20 September 2024.

The amended remediation plan will result in changes to forecast completion dates and will result in an expanded scope in some areas. These changes are intended to address some shortcomings in the original plan and to enable a culture of continuous improvement within the business to ensure the changes will successfully embed. The reset remediation plan is subject to the approval of the regulator and government in Queensland.

Significant progress has been made by the Group to return to suitability during the period:

- As at 27 September 2024, 351 milestones have been completed from the original Remediation Plan. 196 of these have been reviewed and independently verified, of which the Manager / Special Manager / External Adviser has accepted 105.
- In NSW, mandatory carded play in private gaming areas and on select games on the main gaming floor commenced on 19 August 2024, along with cash limits of $5,000 per person, per day. Application of mandatory carded play across the entire gaming floor is on track for 19 October 2024, along with a reduction in cash limits to $1,000 per person, per day, by 19 August 2025.
- In Queensland, the Group is working with OLGR to align the timetable and phase the implementation of mandatory carded play, mandatory pre-commitments and cash limits, as required by the March 2024 amendments to the Queensland *Casino Control Act 1982*.
- Safer gambling capabilities continue to be uplifted. Additional new controls around time-play management were implemented across the Group during 1HFY24. A baseline assessment of the safer gambling culture at all levels of the organisation was completed and will inform ongoing policy and operational process improvements, providing a safer place for guests to play. The safer gambling team's resources and capability increased significantly to 126 employees (from 55).
- AML / CTF capabilities continue to be uplifted. The AML team increased to 124 employees (vs 26 in the pcp), the AML / CTF Program was updated and implemented in January 2024, and new screening and monitoring solutions were created and implemented.
- Progressed an organisational restructure designed to create a simpler framework with more decision-making authority at a property level, while maintaining appropriate oversight from a Group level.
- Governance and management capability was further enhanced. Two independent, non-executive Directors were appointed, together with two independent members of the three casino Compliance Committees. Key external appointments were made to the senior leadership team, including Group Chief Executive Officer (subject to regulatory approvals), Interim Group Chief Financial Officer, Chief Executive Officer The Star Sydney, Chief Executive Officer The Star Brisbane, Chief Executive Officer The Star Gold Coast (subject to regulatory approvals), Group Chief Operating Officer and Group Chief Audit Officer.

The Group takes its obligations seriously and considers the ability to hold a casino licence as a privilege. The Board and senior management are learning from the lessons of the past, acknowledge the gravity of the conduct raised in the Bell One, Bell Two and Gotterson Reports, and accept that the Group did not live up to the trust placed in it by the people of NSW and Queensland.

2.2.2 The Star Brisbane

The initial stage of The Star Brisbane integrated resort owned by DBC (a joint venture owned 50% by the Group) opened to the public on 29 August 2024 and includes the main gaming floor and premium gaming rooms, The Star Grand Hotel, Event Centre, Sky Deck, Neville Bonner pedestrian bridge, public realm and certain food and beverage outlets. Further food and beverage venues and the leisure deck amenities will open progressively throughout FY25. The Dorsett and Rosewood hotels are expected to open in late 2026.

With the opening of The Star Brisbane, the Treasury Brisbane Casino was closed. The Group holds the operator rights for the new facilities through an agreement with DBC. Earnings from the Treasury Brisbane Casino will be replaced by The Star Brisbane operator fee in the Group's consolidated EBITDA. Earnings from the DBC joint venture will be equity accounted.

The phased opening of a property of this size and scale causes uncertainty in the timeframe it may take for the DBC property's earnings and cashflows to grow to a level where assistance is no longer required from its owners (including the Group). At 30 June 2024, the Group had $230.3 million of committed equity contributions to DBC. Subsequent to 30 June, the Group committed to a further $92.7 million of equity contributions and has currently estimated a further $35 million will be required to fund costs to complete the development. $104.5 million has been paid at 30 September 2024. Further contributions will be required as the Group expects to fund costs associated with operations during the DBC growth phase and to support the refinancing of the DBC debt which matures in December 2025. The Group is striving to streamline the phased opening of the property and maximise the returns generated.

2.2.3. Improve business performance and enhance the Group's liquidity

The Group's FY24 EBITDA (before significant items) was $174.7 million, down 45% on pcp, with performance deteriorating through the year. The Group has experienced negative operating leverage as revenue has declined whilst operating expenses have increased. Further, the Group faces significant near-term liquidity requirements, including:

- Funding of the Group's operations at current trading levels.
- Ongoing transformation and remediation related activities, with total remediation spend of approximately $100.0 million expected during FY25 (comprising operating costs of approximately $62.6 million and capital expenditure (**capex**) of approximately $37.4 million).
- Joint venture equity contributions, in particular contributions to DBC.
- Anticipated outflows associated with ongoing regulatory matters, including AUSTRAC proceeding and historic underpaid casino duty in NSW.

A range of initiatives and other measures have been identified and are in the process of being implemented to improve business performance and enhance the Group's liquidity position:

- Improve market share and drive revenue growth by focusing on customer experience, enhancements to on-site offerings, customer insights, customer service and marketing initiatives, especially for events and conferences.
- Targeting implementation of approximately $100 million of annualised cost savings by March 2025, with further work being undertaken to identify additional savings, including reduced consultant spend and optimised marketing spend.
- Reduction of maintenance capex (relative to historical levels) to $80.0 million in FY25 (excluding remediation capex).
- Continued pursuit of non-core asset disposals. Sale of the Sheraton Grand Mirage Gold Coast was completed in November 2023 for $192.0 million (of which the Group owned 50%), while sale of the leasehold interest in the Treasury Casino Building to Griffith University for $67.5 million (plus GST) was settled on 27 September 2024. After settlement adjustments, the net proceeds were $60.5 million (plus GST). The sale process for the Treasury Hotel and car park continues. The Group continues to review the potential sale of other non-core assets.
- The Group is continuing discussions and negotiations with various stakeholders including regulators, Governments, lenders, shareholders and other parties.
- The Group and its lenders executed a commitment letter on 25 September 2024 for a new debt facility (of up to $200 million in two tranches) which will become effective upon completion of long-form documentation and satisfaction of various conditions precedent:
    - The first tranche is expected to be available to be drawn, subject to conditions precedent, from the end of October 2024 through to 20 December 2024 (refer to Note G).
    - The second tranche is subject to more extensive conditions precedent but, if satisfied, would be expected to be available to be drawn from the end of December 2024 and have a 4 month availability period following the drawing of the first tranche (refer to Note G).
    - The Company's lenders have agreed to provide covenant waivers for the next two testing dates, being 30 September 2024 and 31 December 2024, with the waiver for the latter date being subject to execution of long-form documentation for the new debt facility and other customary conditions.

2.3 GROUP PERFORMANCE

Earnings before interest, tax, depreciation and amortisation (***EBITDA***) (excluding significant items) of $174.7 million was down 45.0% on the pcp.

Net revenue of $1,677.8 million was down 10.2% on the pcp. Domestic gaming revenue decreased 11.7%, reflecting a significant and rapid deterioration in operating conditions, largely driven by the compounding impact of meeting existing regulatory requirements, exclusions and by a continuing significant weakness in consumer discretionary spending behaviour. Private gaming rooms have been particularly impacted, down 27%. The main gaming floor was down 1% on pcp, however benefited from private gaming room players shifting their play. Non-gaming revenue was down 3.5%, affected by reduced visitation and economic factors impacting consumer spending.

Gaming taxes and levies of $412.1 million were down 9.6% on the pcp, in line with reduced domestic gaming revenues. The average tax rate increased during the year primarily due to the changes to the *Casino Control Act 1992 (NSW)* increasing the tax rate on table games. Operating costs of $1,091.0 million were broadly flat on the pcp despite lower revenue, reflecting increased spending on transformation and remediation related activities including additional resourcing for risk, controls and safer gaming functions. These costs partially offset the previously announced cost reduction program. Significant expense items ($1,547.3 million before tax) relate to the impairment of The Star Sydney, The Star Gold Coast, Treasury Brisbane and investment in DBC; regulatory, fines, penalties, duty, consultants, legal and other costs; debt refinancing costs; and redundancy and employment costs; partially offset by profit on sale of assets.

Depreciation and amortisation expense of $120.6 million was down 38.2% on pcp, primarily reflecting the reduced asset base following impairments in the pcp. Net finance costs of $35.3 million (excluding significant items) were down 37.5%, reflecting lower average debt balances from the refinancing undertaken in March and October 2023.

Net loss after tax was $1,684.6 million. Normalised[1] net profit after tax, excluding significant items, was $11.9 million. Basic and Diluted Loss per Share were both 66.8 cents (both 211.7 cents in the pcp).

2.4 GROUP FINANCIAL POSITION

Net cash[2] was $30.0 million at 30 June 2024 (2023: net debt of $595.5 million). In October 2023, the Group finalised a $750.0 million equity raising and in November 2023 executed a $450.0 million, four-year syndicated debt facility. Proceeds from the capital raising were used to repay and terminate existing bank loans and US private placement notes, while the $300 million term facility was fully drawn in December 2023.

At 30 June 2024 the Group faced significant liquidity issues and impairment of assets (see below), this necessitated a refinance of its debt facilities in September 2024 (see Note C2) and cost reduction initiatives (see Note G). In addition, to the existing sale process of the Treasury buildings (see Note C2), the Group is pursuing the sale of other non-core assets to improve its liquidity. These factors ultimately will result in loss of asset backing.

Impairment

The Sydney and Gold Coast cash generating units experienced a significant and rapid deterioration in operating conditions, largely driven by the compounding impact of meeting existing regulatory requirements, exclusions and by a continuing significant weakness in consumer discretionary spending behaviour and loss of market share. In Sydney, daily patron cash limits of $5,000 for carded play and mandatory carded play for private gaming areas and select games on the main gaming floor commenced on 19 August 2024. Fully carded play is required in Sydney by 19 October 2024 and the daily cash permitted per person will be reduced to $1,000 by 19 August 2025.

In Queensland, legislation has been enacted in relation to mandatory carded play and daily patron cash limits. Regulations to give effect to those reforms are yet to be enacted (see Note B7). Carded play is currently anticipated to have a negative impact on earnings. Significant uncertainty also remains around the quantum and timing of any penalty in relation to the AUSTRAC proceeding and the quantum of any amount payable in relation to the Class Action (see Note B7). In Brisbane, the operating and macro-economic conditions affecting Sydney and Gold Coast are expected to impact the future earnings of The Star Brisbane casino (of which the Group owns 50% and is the operator through an agreement with DBC).

In combination, these factors have reduced the valuation of the cash generating units, requiring an impairment of $1,430.1 million (Sydney $337.1 million, Gold Coast $274.0 million and Brisbane $819.0 million) to be recognised for the year ended 30 June 2024 (2023: $2,167.8 million).

Investments

On the Gold Coast, construction by Destination Gold Coast Consortium (***DGCC***) (of which the Group owns 33%) of the Gold Coast second tower (Tower 2), a $400 million 63-storey mixed use tower has topped out, with internal fit-outs ongoing. The Residences portion of the tower is on track for completion in late 2024, with all 437 apartments pre-sold, while the hotel is due to open in mid 2025. Tower 2 also includes additional restaurants, cafes, nightlife venues and a comprehensive pool deck with complementary amenities. Upon completion of Tower 2, The Star Gold Coast will have in excess of 2,000 hotel rooms and apartments on the island. During FY24 the Group contributed equity of $9.8 million. DGCC contributions for FY25 are expected to be in a net nil position, reflecting an estimated $6 million equity contribution and an expected distribution paid by DGCC to offset that amount.

On 3 November 2023, the sale of the Sheraton Grand Mirage by Destination Gold Coast Investments (of which the Group owns 50%) was completed for $192.0 million. The Group received $59.2 million of sale proceeds in November 2023, with a further $9.4 million of remaining funds in July 2024.

DBC (of which the Group owns 50%) commenced its phased opening on 29 August 2024 (see 2.2.2). During FY24 the Group contributed equity of $74.5 million. At 30 June 2024 the Group had $230.3 million of committed contributions to DBC, subsequently increasing a further $92.7 million (see Note D5) and has currently estimated a further $35 million will be required to fund costs to complete the development. The Group expects to make further equity contributions to fund costs associated with operations as the business ramps up or to support the refinancing of the DBC debt which matures in December 2025 (see 2.6).

1 In FY24, normalised earnings excludes significant items only.

2 Net cash is shown as cash and cash equivalents less interest-bearing liabilities (excluding lease liabilities).

2.5 SEGMENT OPERATIONS

The Group comprises the following three operating segments: Sydney, Gold Coast, and Brisbane.

Refer to note A1 for more details of the financial performance of the Company's operating segments. The activities and drivers of the results for these operations are discussed below.

Sydney

Net revenue was $877.5 million, down 10.8% on the pcp and EBITDA (excluding significant items) was $51.8 million, down 59.3% on the pcp. Gaming revenue was affected by the implementation of uplifted controls, casino operating reforms, the loss of market share and macro-economic environment. Non-gaming revenue also declined, with reductions in hotel (85% occupancy vs 91% in the pcp) restaurant and bars revenue, reflecting a number of venue closures. Gaming taxes and levies were down 8.9% in line with the decrease in gaming revenue partially offset by an increase in tax rates. Operating expenses decreased 1.2%, reflecting reduced activity partially offset by increased compliance and remediation related costs.

Gold Coast

Net revenue was $456.1 million, down 10.4% on the pcp and EBITDA (excluding significant items) was $71.3 million, down 33.4% on the pcp, which had set a high benchmark due to post-COVID recovery visitation and tourism. Gaming revenue was affected by the implementation of uplifted controls, casino operating reforms, the loss of market share and the macro-economic environment. Non-gaming revenue also declined, with reductions in hotel (80% occupancy vs 83% in the pcp) restaurant and bars revenue, partially offset by the introduction of paid parking. Gaming taxes and levies were down 13.6% in line with the decrease in gaming revenue. Operating expenses decreased 1.6%, reflecting reduced activity partially offset by increased compliance and remediation related costs.

Brisbane

Net revenue was $344.2 million, down 8.1% on the pcp and EBITDA (excluding significant items) was $51.6 million, down 38.0% on the pcp. Gaming revenue was affected by the implementation of uplifted controls, casino operating reforms, the loss of market share and the macro-economic environment. Non-gaming revenue also declined, with reductions in hotel (90% occupancy vs 96% in the pcp) and restaurant revenue, partially offset by bars. Gaming taxes and levies were down 8.1%, in line with gaming revenue decline, while operating expenses were up 4.5%, reflecting an increase in employee enterprise rates, compliance and remediation related costs and preparation for The Star Brisbane opening.

The Treasury Brisbane Casino closed on 25 August 2024 ahead of the opening of The Star Brisbane on 29 August 2024 (of which the Group owns 50% and is the operator through an agreement with DBC). Treasury Hotel and car park continue to operate.

2.6 SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS, REGULATORY MATTERS AND FUTURE DEVELOPMENTS

AUSTRAC proceeding

On 30 November 2022, the Australian Transaction Reports and Analysis Centre (***AUSTRAC***), commenced civil penalty proceedings in the Federal Court of Australia against The Star Pty Limited and The Star Entertainment QLD Limited (collectively ***The Star Entities***). AUSTRAC alleges that The Star Entities contravened the *Anti-Money Laundering and Counter Terrorism Financing* (***AML/CTF***) *Act 2006 (Cth)* by failing to conduct appropriate due diligence on customers who were higher risk and by failing to have an appropriate AML/CTF program.

The Star Entities filed a Statement of Admissions and Factual Contentions (***SAFC***) on 10 November 2023 and subsequently the parties continued to negotiate with a focus on narrowing the issues in dispute. On 24 July 2024, the Court made orders referring a list of issues of fact in the proceeding to a referee who will provide a report to the Court to assist it to determine those issues. The reference process involves a hearing in the period from 4 to 22 November 2024 with the report to be delivered to the Court some time thereafter.

AUSTRAC has commenced civil penalty proceedings against other companies on five occasions. The AUSTRAC proceedings to date have led to the Federal Court approving and / or ordering the respondent to pay significant penalties: Tabcorp $45 million (2017); CBA $700 million (2018); Westpac $1.3 billion (2020); Crown $450 million (2023); and most recently, SkyCity $67 million (2024). The determination of the Federal Court's penalty (including where a penalty has been jointly proposed by AUSTRAC and the defendant to the Court) is specific to the facts of each case and arrived at after consideration of admissions made and evidence and submissions in relation to the appropriateness of the penalty.

AUSTRAC alleges that the number of contraventions committed by The Star Entities is innumerable. The Group has determined a provision on the Balance Sheet at 30 June 2024. This provision was, and is, recognised at a time where there remains considerable uncertainty as the quantum of the penalty, including what approach the Court may take into consideration of any evidence or submissions as to appropriate quantum which may be put forward by the parties. Any actual penalty paid by The Star Entities may differ materially to the provision recorded at 30 June 2024.

Underpaid casino duty

The Bell Inquiry of The Star Pty Ltd conducted in 2022 (***Bell One Review***) identified potential issues with the way in which the Group calculated rebate duty payable to the NSW Government.

In accordance with the recommendations from the Bell One Review, an independent review has been conducted of all rebate play at The Star Sydney between 28 November 2016 and 9 May 2022 in accordance with the scope agreed with L&GNSW.

L&GNSW has conducted an assurance review over the findings of that independent review.

In addition, the Group is working with the NICC and NSW Treasury to develop a clear and objective test for the residency of rebate players. Such a test was recommended from the Bell One Review and will require an amendment to The Star Sydney's Duty agreement and result in changes to relevant internal controls.

The Group has determined a provision on the Balance Sheet at 30 June 2024 of the potential impact based on the amount determined from the independent review, which was subsequently agreed with L&GNSW. Penalty interest could be enforced under the relevant Duty Agreements during the relevant period for late payment of casino duty and responsible gambling levy at a daily penalty rate of 0.15%. If this is applied, the final quantum of the penalty interest could materially increase the amount provided. The penalty interest is subject to discussions with the Department of Creative Industries, Tourism, Hospitality and Sport and NSW Treasury.

ASIC proceedings against former directors and officers of the Company

In December 2022, the Australian Securities and Investment Commission (ASIC) commenced civil penalty proceedings in the Federal Court of Australia against 11 former directors and officers of The Star Entertainment Group Limited (***Company***) alleging contraventions of the *Corporations Act 2001 (Cth)*.

As no entity of the Group is party to these proceedings, it is not possible to predict the timing and any financial impact of these claims on the Group, including in relation to the likely costs incurred by the Group on behalf of the defendants, or the extent to which those costs might be covered by the Group's insurance policies and indemnities in place for former officers and directors.

The Group has determined a provision on the Balance Sheet at 30 June 2024 relating to an estimate of legal costs.

Class Action

On 30 March 2022, a shareholder class action was commenced in the Supreme Court of Victoria, alleging the Company failed to comply with its continuous disclosure obligations and engaged in misleading or deceptive conduct in relation to the Company systems, controls, operations and regulatory risks.

The Company has filed its defence with no admissions of any contravention. At 30 June 2024, the Company has assessed there is no present obligation in respect of this matter and it represents a contingent liability. The outcome of the Class Action and any potential financial impacts are unknown, including the extent to which any amounts may be covered by the Group's insurance policies.

DBC Financing Arrangements

The Company and its joint venture partners Chow Tai Fook Enterprises Limited (***CTFE***) and Far East Consortium International Limited (***FECI***) entered into debt facility agreements in 2020 in relation to DBC's $1.6 billion project-level debt funding. The aggregate amount outstanding is $1.5 billion at 30 June 2024 (***DBC Funding***). The DBC Funding comprises two equal facilities, drawn approximately equally, separately provided under a Gaming and Entertainment syndicated facility agreement (***SFA G&E***) and a Tourism and Leisure syndicated facility agreement (***SFA T&L***). Amounts outstanding under the SFA G&E are guaranteed by the Company and amounts outstanding under the SFA T&L are guaranteed by CTFE and FECI. The two facilities are cross-collateralised against the property leases.

DBC's ability to refinance its debt on reasonable terms as it becomes due in December 2025 or to repay the debt, its ability to raise further finance, and its borrowing costs will depend on a range of factors including, but not limited to, prevailing market conditions and DBC's operating performance at the time any refinancing takes place. If DBC is unable to refinance its debt obligations, or to do so on reasonable terms, this may have an adverse impact on the financial position and performance of the Group, in particular in circumstances where the Company is required to contribute additional equity to the joint venture as part of any financing or the Company's SFA G&E guarantee is called upon.

GST amended assessments

On 11 August 2021 the Group received amended assessments from the Australian Taxation Office (***ATO***) in respect of a dispute for the period October 2013 to August 2017 (inclusive) in relation to the GST treatment of rebates paid to junket operators for The Star Pty Limited. The amount in dispute for this period is approximately $149.3 million (primary tax of $81.9 million and interest of $67.4 million). In FY2022 the Group paid $40.9 million as a deposit to the ATO on a no-admissions basis. The deposit is held as a current asset on the balance sheet.

On 6 September 2021 the Group filed an application for judicial review with the Federal Court of Australia in relation to the interest assessment and on 5 October 2021 lodged an objection against the primary assessments with the ATO. The ATO disallowed the Group's objections in October 2023. On 5 December 2023 the Group appealed by commencing proceedings in the Federal Court of Australia.

Withholding tax penalty

The Group is in dispute with the ATO in relation to the appropriate method for calculating withholding tax on rebates paid to junket operators for the 2015 to 2020 income tax years. The amount in dispute for the period is $7.7 million (primary penalty of $6.4 million and interest of $1.3 million). The relevant Group entities objected to the ATO's decision to issue the penalties. The ATO disallowed the Group's objections in October 2023 and on 5 December 2023 the relevant Group entities appealed by commencing proceedings in the Federal Court of Australia. In FY2024 the Group paid $3.2 million as a deposit to the ATO on a no-admissions basis. The deposit is held as a current asset on the balance sheet.

Legal challenges
There are outstanding legal proceedings between the Company and its controlled entities and third parties as at 30 June 2024. The Group has notified its insurance carrier of all relevant litigation and currently anticipates that any damages (other than exemplary damages) that may be awarded against the Group, in addition to its costs incurred in connection with the proceedings, may be covered by its insurance policies where such policies are in place. Provisions are made for known obligations where the existence of a liability is probable and can be reasonably estimated. As the outcomes of these actions remain uncertain, contingent liabilities exist for possible amounts eventually payable.

NEW SOUTH WALES
Disciplinary Action
The final instalment of the $100 million penalty issued following the Bell Review, was paid on 28 December 2023.

Regulatory reforms
Compulsory carded play and cash play limits were due to commence on 19 August 2024 however the timetable for compliance was amended by the NSW Government to transition these requirements. From 19 August 2024, mandatory carded play is required in private gaming areas and on select games on the main gaming floor with daily cash limits of $5,000 for carded play. Fully carded play is required by 19 October 2024 and the daily cash permitted per person will be reduced to $1,000 by 19 August 2025.

Bell Two
On 19 February 2024, the NICC announced an inquiry to investigate the suitability of The Star Pty Ltd (***The Star Sydney***) and its close associate, the Company, to be concerned in or associated with the management and operation of The Star Sydney Casino. The NICC appointed Mr Adam Bell SC to preside over an inquiry with the powers of a royal commissioner in NSW. Public hearings were conducted from 15 April 2024 to 3 May 2024.

On 1 August 2024, the NICC advised that its request to extend the term of the appointment of the Manager of The Star Sydney Casino by regulation to 31 March 2025 had been approved. In addition, on 30 August 2024, the NICC provided to the Company and The Star Sydney, a copy of the report of the Second Inquiry conducted by Mr Adam Bell SC in respect of The Star Sydney (the ***Bell Two Report***). A copy of the non-confidential parts of the Bell Two Report was released to the public on the same day. The Bell Two Report concludes that the Company and The Star Sydney are presently unsuitable to be concerned in, or associated with, the management and operation of The Star Sydney.

The Bell Two Report made findings and recommendations in relation to four areas of non-compliance which resulted in various breaches by The Star Sydney during 2023 and 2024 which are the subject of ongoing consideration by the NICC and could, in the future, potentially involve the imposition of fines and penalties under the relevant NSW legislation. A range of outcomes against The Star Sydney are possible, including among other things, the imposition of a penalty, letter of censure, amendments to the conditions, further suspension, or cancellation, of The Star Sydney's licence.

On 13 September 2024, the NICC served a 'show cause' notice (***Notice***) on the Company, requesting a response to the Breach Findings from the Bell Two inquiry. The NICC has also requested information about the Company's current financial position and its plans to address these issues so that it can make informed decisions about the Company's financial suitability to hold a casino licence for The Star Sydney. The Company lodged its response on Friday, 27 September 2024. The Company and The Star Sydney are considering the recommendations and guidance in the Bell Two Report and, subject to any response to the Bell Two Report by the NICC, will seek to implement relevant recommendations at an appropriate time.

Casino duty reforms
On 11 August 2023 the NSW Treasurer and the Group announced an in-principle agreement had been reached in relation to changes to casino duty rates for casinos in New South Wales and their impact on The Star Sydney. An agreement was finalised between NSW Treasury and The Star Sydney on 20 November 2023.

The changes include rate increases for rebate duty (10% to 12.5%) and Table Games (17.91% to 20.25%) from 1 July 2023. Poker Machine duty rates will remain as follows until 2030 (20.91% until 30 June 2024, 21.91% from 1 July 2024 and 22.91% from 1 July 2027). From 1 July 2030 poker machines will be taxed based on average poker machine revenue using a progressive rate scale with a maximum of 51.6%. In the period 1 July 2023 to 30 June 2030 an additional levy will apply equal to 35% of The Star Sydney's gaming revenue above $1.125 billion per financial year. There is no change to the Responsible Gambling Levy rate.

This agreement includes an undertaking that provides employment certainty for team members as agreed with the United Workers Union.

QUEENSLAND

Disciplinary action

The final instalment of the $100 million penalty issued following the review by the Hon. Robert Gotterson AO into the Group's Queensland Operations, was paid on 28 December 2023.

The Star Gold Coast's deferred licence suspension is currently in effect up to 20 December 2024 and Special Manager term has been extended to 8 December 2024. The deferred suspension of Treasury Brisbane's licence and term of the Special Manager will cease on surrender of its casino licence following the opening of The Star Brisbane. An External Adviser has been appointed by the Minister for The Star Brisbane casino operations which are managed by the Group (see section 5). On the same date, the Group was also directed by the Department of Justice and Attorney-General to prepare a plan for the remediation of the management and operations of The Star Brisbane.

Regulatory reforms

On 28 March 2024, the *Casino Control and Other Legislation Act 2024* was enacted to give effect to the balance of the recommendations of the Gotterson Report and certain other casino reforms. The proposed reforms include the introduction of mandatory carded play, restrictions on the use of cash, mandatory player pre-commitments including play and break limits, and a supervisory levy payable by casino licence holders. Most reforms took effect from enactment, with the remaining reforms to either commence on a date to be fixed by proclamation (including the introduction of a supervisory levy) or 6 months after enactment. The implementation of each of the key measures noted above requires the introduction of regulations giving effect to those reforms.

Suitability Investigation – Chow Tai Fook Enterprises (CTFE)

On 2 May 2024, the Qld A-G noted that there is insufficient evidence to conclude that CTFE or its relevant associates are unsuitable to be an associate or close associate of DBC, which holds The Star Brisbane casino licence. CTFE is a 25% interest-holder in DBC.

FUTURE DEVELOPMENTS

Future developments in the Group's activities will be dependent on several factors outlined in this Directors' Report, notably successfully addressing the Group's liquidity issues, the resolution of the AUSTRAC proceeding, and timely and effective execution of the extensive program of remediation activities necessary for a return to suitability in both NSW and Queensland. There were no other significant changes in the state of affairs of the Group during the year.

2.7 RISK MANAGEMENT

The Group takes a structured approach to identifying, evaluating and managing those current and emerging risks which have the potential to affect achievement of strategic objectives. The commentary relating to Principle 7 in the Company's Corporate Governance Statement describes the Group's risk management framework which is based on ISO31000, the international standard on risk management. The Corporate Governance Statement can be viewed on the Company's website.

An overview of the Group's material risks and associated mitigation strategies are set out below. The mitigation strategies are designed to reduce the likelihood of the risk occurring and/or to minimise the adverse consequences of the risk should it happen. However, some risks are affected by factors external to, and beyond the control of, the Group.

Risk and description	Mitigation strategy
Suitability	
The Company and the Group's operations are regulated by laws, licences, permits and approvals from relevant government agencies and regulators. The failure of one or more of the relevant Group entities for The Star Sydney, The Star Gold Coast or The Star Brisbane to be suitable, or return to suitability, to hold a casino licence or meet relevant suitability requirements, including demonstrating financial viability, could have an impact on the Group's reputation, financial performance and position and the ongoing operation of the business. Following the Bell and Gotterson reviews in NSW and Queensland, respectively, the Group is presently operating with a suspended licence in NSW and a licence which is subject to deferred suspension in Queensland. The Bell Two Inquiry was undertaken during the second half of FY24. Final outcomes of this review are unknown, but could be material for the Group's operations, including a loss of licence to operate in New South Wales.	The Company has developed a comprehensive remediation program which seeks to uplift and reform the Group's governance, accountability and capabilities, culture and risk and compliance processes to meet suitability requirements for a casino operator in the states in which it operates. This is a multi-year Plan, requiring significant financial and human resources to deliver. The Remediation Plan was approved in Queensland and actions under the plan commenced in the first half of FY24. The Plan has recently been reviewed to simplify the organisation of milestones and to increase the focus on cultural uplift across the Group. Additional findings or actions arising from Bell Two were incorporated into the reset Remediation Plan. The amended Remediation Plan and associated documents were submitted to OLGR on 18 September 2024 for consideration and approval by the Queensland Attorney General. The reset remediation plan is subject to the approval of OLGR and government in Queensland. Copies of the plan and associated documents were also submitted to the NICC for information on 20 September 2024.
Transition to All-Carded and Cash-Limited Gambling	
There may be significant adverse impacts on the Group's financial performance and customer experience with the introduction of cash-limited and all-carded play from August 2024. Complexities arising from the implementation of this program may have material impacts on the Group and the impact on player activity is unknown. A phased approach has commenced to address new regulations, presenting risk in the near term. The implementation of new technology may result in unforeseen complications and complexities, including system outages, impacting revenue and customer satisfaction. The change required to the customer experience is without precedent in the gaming industry. Supporting the transition, changes to business processes, technology, controls, and workforce design is transformational in scale and complex, particularly when implemented concurrent with other business priorities and objectives of the Group.	The Group has mobilised a significant program of work to implement the technology, business processes, controls and workforce changes required to meet these evolving regulatory obligations. A "cashless" and all-carded live trial has been in operation in The Star Sydney since February 2024 and a further expansion of the technology, processes and solutions commenced from August 2024. The Group continues to monitor customer adoption and has developed plans to support an effective expansion, incorporating learnings from expanded trials. The Group will continue to engage regulators and adopt strategies and secure funding for future phases of the complete transition to all-carded, cash-limited gambling across all properties of the Group.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2024

Risk and description	Mitigation strategy
Cyber Security	
Information systems applications and technology are essential to maintaining effective operations. As the Group moves to fully carded gambling with reduced cash in its operations, digital transactions will necessarily increase, with a commensurate increase in volume and magnitude of sensitive information, including sensitive customer information. This information will be retained electronically for a larger number of clients. Threats to information systems applications and technology are continuously evolving and cyber threats and the risk of attacks are increasing. Any failure of the Group's systems and processes could result in, amongst other things, business interruption, legal or regulatory breaches and liability, with negative impacts on the Group's reputation and financial performance.	The Group has a dedicated information technology (IT) security function which tests and monitors technology systems to detect and block viruses and other threats to the security of the Group's data. The Group employs industry experts to undertake reviews and testing of its cyber resiliency and the IT function continues to implement a cyber resilience plan. Employees are regularly trained on the importance of cyber security and related processes, with continued testing of control effectiveness with reporting to senior management and the Board.
Information Security and Privacy	
The Group necessarily collects and manages confidential business and customer data in the course of its business operations. The move to a more digital environment through all-carded and cash-limited play, will necessarily increase the volume and variety of sensitive data held by the Group, increasing the risk arising from failed processes and controls, including from a leak or unauthorised access such as a cyber attack. At the same time, regulatory and community expectations to protect customer data is increasing. Any systems or process failures could result in the exposure of confidential information and sensitive customer data, leading to customer dissatisfaction, legal or regulatory breaches (including of privacy legislation) and liability, impacting the Group's reputation and financial performance.	The Group has a dedicated Privacy team as part of its Group Risk function. The Privacy team supports privacy awareness and education across the Group and works closely with Information Technology to drive data security and protection controls across the Group. During the year a new Privacy Management Framework was developed and implemented.
The Star Brisbane Opening / Queen's Wharf Project	
The Group has recently opened The Star Brisbane as part of the Queen's Wharf project, a joint venture with Destination Brisbane Consortium (DBC). The failure to realise the potential return from the Group's invested capital in The Star Brisbane or the Queen's Wharf Project may have an adverse impact on the Group's reputation, financial performance and position. As the Group operationalises The Star Brisbane and closes the Treasury casino, new operational, regulatory and governance risks may arise connected to the recruitment of a significant number of new employees and the opening of an entirely new facility. Further, as Queens Wharf operationalises new risks around the oversight of the business and ongoing engagement with Destination Brisbane Consortium may arise.	The Group is closely managing The Star Brisbane through regular stand-ups and has processes in place to monitor operational effectiveness, including financial performance, employee sufficiency and risk and regulatory matters. The Group is actively working with regulators and DBC to deliver a smooth operation. Decanting and ultimate closure and sale of the Treasury building is being managed closely as a project. Governance structures are in place and are being refined to report risks to the Group's Board and the Destination Brisbane Consortium Board and relevant Committees.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2024

Risk and description	Mitigation strategy
Financial The Group's ongoing financial performance and liquidity position is critical in order for the Group to be able to access funding to meet current and anticipated expenses, penalties and judgements and to fund future growth opportunities on commercially acceptable terms. The Group faces material uncertainty that could impact its financial strength and liquidity, including the shift to all-carded gambling and lower cash limits, the economic environment, unknown operation and performance of new assets that may cast significant doubt on its ability to remain a going concern (refer to Note G in the financial statements). Under the scope of the Bell Two Inquiry, the financial strength of The Group has and will be considered in the decision about suitability. If the financial strength of the Group is not found to be sufficient, this may be a basis for regulators finding the Group to be unsuitable to hold a casino licence.	The Group's financial performance is continuously monitored for any variations from annual financial budgets and market expectations. When deemed necessary, proactive steps are taken to reduce costs with a potential consequential impact on employees and operations. It may not be the case that such steps are timely or sufficient to address any negative trends in revenue, resulting in unexpected losses. The Group continuously monitors its financing and capital requirements and will seek to raise funds from either debt or equity capital markets, debt financiers or otherwise, to support the Group's financial management needs, in each case, subject to such funding being available on commercially acceptable terms. Professional financiers are engaged to assist in complex financing requirements when appropriate. The Group and its lenders executed a commitment letter on 25 September 2024 for a new debt facility (of up to $200 million in two tranches) which will become effective on completion of long-form documentation and satisfaction of various conditions precedent (refer to Note G in the financial statements in respect of this arrangement and other mitigating actions).
Culture The Group recognises that a risk-aware culture, where team members are willing and unafraid to escalate matters, is necessary to the effective operation of its business. Failure to operate with such a constructive culture consistently across the Group's operations could result in a failure to identify, raise and escalate incidents, breaches, operational and other matters that could negatively impact the operational and financial performance of the Group. As a result of a failure to escalate matters, a weak culture could also negatively impact the Group's reputation, regulatory relationships, the Group's return to suitability and ability to hold casino licences in the states in which the Group operates.	The Group is expanding the focus on Culture in the Remediation Program and is developing measurable targets to track progress towards a supportive and sustainable culture. This work builds on the independent culture assessment completed at the end of FY23 as well as later observations, such as those evidenced through the Bell Two Inquiry. The Group has appointed a Chief Culture and Ethics Officer to lead this work and to drive and support culture change across the Group. Escalation of incidents, issues, breaches and other matters, continues to be promoted through the "Raise It" program, launched Q4 FY23. This is further supported by newly-developed, day-long, in-person training for several thousand team members which builds awareness on how to identify and escalate matters. An independently managed and confidential whistleblowing program is in place to support escalation when team members may not be comfortable escalating through internal channels.

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2024

Risk and description	Mitigation strategy
Safer Gambling The Company recognises the failure to deliver and support responsible gambling practices as a material risk for the Group's business operations. The Group seeks to provide a safe gambling environment where problem gambling and gambling related harm are minimised. Failure to provide a Safer Gambling environment at each of its venues may impact the Group's suitability to hold casino licences and result (including following self-reporting) in significant fines or other penalties or sanctions, which in turn may have an adverse impact on the Group's reputation, suitability to hold one or more casino licences, and financial performance and position. A number of serious issues related to the Group's execution of new Safer Gambling controls were tabled at the Bell Two Inquiry. The outcomes of any regulatory action over those matters is not yet known. Failure to provide a Safer Gambling environment may also increase customer dissatisfaction, which could result in compensatory claims, leading to an adverse impact on the Group's financial performance and position.	Through the Remediation Plan the culture of Safer Gambling is being embedded in the Group's business strategy, processes, and individual accountabilities. Resourcing dedicated to Safer Gambling monitoring and guest welfare has risen materially. The impending implementation of all-carded play increases the ability of the Group to monitor player activity and will enable more timely and informed support for guests through safer gambling activities. Analytics is being used to detect patterns, modes and durations of play which may be indicators of gambling harm. Global modelling is being tested to enable more proactive engagement with guests on safer gambling matters. All-carded play will further support these solutions.
Anti-Money Laundering and Counter-Terrorism Financing Compliance The Group operates in an industry that presents high money laundering risks. As a provider of 'designated services' under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (AML/CTF Act), some entities within the Group are 'reporting entities' which are subject to obligations under the AML/CTF Act and Anti-Money Laundering and Counter- Terrorism Financing Rules Instrument 2007 (No. 1). A failure to comply with these obligations may expose the Group to significant penalties or other regulatory actions. AUSTRAC continues to pursue civil penalty proceedings against the Group, alleging wide-spread non- compliance with the AML / CTF Act and Rules. The outcome of AUSTRAC's action against the Group is unknown, but may result in a material penalty which may have a significant negative impact on the Group's financial position. During the public inquiries of Bell Two, there was material discussion about the Group's approach to enhanced customer due diligence (ECDD). This has been followed by further regulatory inquiries with state regulators. The outcomes of these inquiries is not yet known.	The Group continues to invest heavily in improvements to its AML / CTF framework, through a dedicated workstream of the Remediation Plan. This work is carried forward by specialist AML / CTF resourcing. Key improvements through the year include new tools to assess risk, new training solutions, new capacity to monitor AML / CTF risks and continued increases in resourcing. An updated AML / CTF Program Manual was approved by the Board in November 2023, setting the financial crime risk appetite and expectations for the Group to manage those risks. During the second half of FY24, the Group has implemented a specialist intelligence unit with the capability to further investigate the background and profiles of guests who present higher risks for financial crime.

Risk and description	Mitigation strategy
Legal and Regulatory Compliance The Group operates in a highly regulated industry and is reliant on receiving and maintaining regulatory approvals in the jurisdictions in which it conducts gambling and non-gambling operations. Legislative and regulatory changes or decisions affecting the operation of casinos (including the potential effect of changes in the administration of laws in foreign countries affecting the ability of foreign nationals to travel to and/or bring funds to Australia) may have an adverse impact on the operations, financial performance and position of the Group.	The Group's remediation program is designed to enhance and mature the Group's governance and compliance frameworks and processes. The Group continuously monitors for potential legislative and regulatory changes or changes in relevant government policy and positions in the states in which it operates. This includes matters core to the integrity of gambling operations such as gambling regulatory compliance, Safer Gambling, service of alcohol and AML/CTF compliance. The Group works collaboratively with state and federal regulatory authorities to ensure that applicable laws and regulations are properly interpreted and applied. The Group works with these authorities and other stakeholders in relation to anticipated or proposed legislative or regulatory changes or decisions.
Legislative and Contractual Restrictions on Dealing with Assets Beyond the current regulatory issues applying to the Group's operations in NSW and Qld (including the manager appointments), there are various restrictions arising under state-based legislation and various contractual arrangements which apply to the casino licences and associated assets which comprise the Group's operations. These arrangements restrict certain dealings in the relevant assets, such that the relevant assets cannot be assigned or mortgaged, charged or otherwise encumbered, at least without relevant consents or approvals being obtained (if applicable) or at all. Certain assets are also subject to joint venture arrangements and the financing arrangements which apply to those joint ventures. The inability of the Group to deal with these assets in certain circumstances or obtain necessary regulatory approvals or legislative changes to transact or finance these assets could negatively impact the Group's operations and financial position.	These restrictions are a function of the legislative and contractual obligations which apply to the Group's operations in NSW and Qld. The Group seeks to ensure that it consults with relevant regulatory bodies and third parties in connection with such restrictions and limitations as appropriate. Where applicable, relevant consents or approvals are sought.

Risk and description	Mitigation strategy
Key Stakeholder Relations The Group may experience difficulties or be unable to engage with key stakeholders proactively and constructively, leading to adverse outcomes. Any deterioration of the Group's relationships with key stakeholders may have an adverse impact on the Group's operations and 'social licence' to operate, which in turn could have an adverse impact on the Group's reputation and financial performance and position. The behaviours leading up to, and the outcomes arising from the Bell Two Inquiry will have contributed to strained regulatory relationships and could still strain relationships with key stakeholders, with unknown outcomes. Critical stakeholders for the Group are the financial services companies that provide transactional banking services. If the Group is unable to maintain transactional banking services (including for new businesses such as The Star Brisbane) there may be negative impacts on operational and financial performance. Transactional banking facilities are presently in place until March 2025.	The Group is developing standard frameworks and processes, including as contemplated by the remediation program, for engaging with a variety of stakeholder groups to improve the quality and depth of its relationships with, amongst other stakeholders, governments, regulators, shareholders, customers, joint venture partners, lenders, transactional banking providers, suppliers, employees, media and unions. The Group has also developed partnerships with local community groups and charitable organisations.
Corporate Governance There may be potential adverse impacts for the Group from a failure to maintain a strong and effective governance structure which supports a culture of transparency, accountability, and compliance.	Executive changes during FY24 and to date include the appointment of a new Group Chief Executive Officer, new Group Chief Operating Officer, and new Chief Executive Officers for each of the three casinos. A Group Chief Audit Officer, reporting to the Chair of the Board Audit Committee has also been appointed. In addition, a new Board Chairman was appointed in April 2024, and two new independent non-executive directors were appointed during FY24. These appointments have been completed with the intent of driving stronger governance and a culture of transparency, accountability and compliance. The Group has established and is refining an integrated "3 lines of accountability" model to identify and manage key risks and to provide assurance that critical controls are effective in managing those risks. This model is supported by the Group's risk management framework.
Sustainability Failure by the Group to effectively assess and respond to sustainability risks (including socioeconomic, environmental, and governance risks), or to be perceived as failing to do so, could adversely impact the Group's reputation which in turn could adversely affect the Group's financial performance.	Sustainability risks are tracked and reported by management with actions taken to remain within defined risk appetite. Sustainability matters are reported to the Safer Gambling, Governance and Ethics Committee.

Risk and description	Mitigation strategy
People	
The Group may experience high levels of turnover in its workforce, including from cost reduction initiatives, and may experience difficulty attracting, recruiting and retaining appropriately qualified staff – including for key leadership and operational roles. The Group has and may still experience issues in the calculation and payment of employee remuneration. Such wage compliance issues have been reported to the Fair Work Ombudsman and are being actively rectified, through back-payment to current and former employees. Though the Group is working constructively and transparently with the Fair Work Ombudsman, the Group may yet face penalty and censure. Relationships with unions may not always be constructive and supportive, leading to challenging working environments and potentially, disruptions to business operations. People are critical to the effective operation of the Group's business. Negative developments that impact the Group's workforce may have an impact on the Group's operations and financial performance.	The Group has dedicated talent acquisition teams and programs in place to support employee retention. Frameworks have been implemented to support a workplace that is free of discrimination, harassment and bullying. Programs such as the Group's "Raise It" campaign drive a culture of transparency and encourage escalation of issues that are outside the Group's Code of Conduct. Late in FY24 the Group launched "Elevate", an in-person training day on risk awareness and the importance of escalation of issues, incidents and concerns. The Group monitors employee engagement through regular surveys and feedback. The Group has dedicated resources and project governance to address wage compliance matters and reports regularly to management and the Group Board. The Group holds a constructive relationship with unions through structured engagement from Senior Leadership to Front line team members with a transparent and consultative approach. Our National Deed of Agreement with United Workers Union and property Enterprise Agreements provide a base line governance for our ways of working. The Enterprise Agreement for The Star Sydney was agreed and ratified during FY24. The Remediation Plan has workstreams which are designed to uplift capabilities in people and culture across the Group.
Health & Safety	
The Company seeks to operate the Group's facilities without negatively affecting the safety, security and wellbeing of its guests, team members and contractors. This includes the responsible serving of alcohol for guests. There may be adverse impacts for the productivity, operations and reputation of the Group if a guest, team member or contractor is injured or some other event or circumstance occurs in relation to their safety, security and wellbeing, at one of the Group's premises. This may also impact the financial performance of the Group.	The Group takes a risk-based approach to managing health and safety. Dedicated health and safety and injury management specialists are employed at each of the Group's properties. Each property employs security and surveillance personnel to provide support in monitoring threats and managing potential incidents on a real time basis. Team members are trained on the responsible serving of alcohol. The Group monitors psychological safety and psychosocial hazards. During the second held of FY24, the Group rolled out the People at Work Survey, supported by external experts.
Operational Risks	
The Group faces operational risks in its day-to-day activities and processes. This includes risk of loss or reputational damage resulting from inadequate, changed or failed internal processes, people or systems (including, amongst other things, technology, innovation, data storage, staffing levels and skills, and information security systems), or from external events. Though controls are in place, these may not always be effective at mitigating unexpected internal or external events which may adversely impact the Group's operational and financial performance.	Measures have been taken over FY24 to enhance the Group's operational controls, including for new risks associated with the opening of The Star Brisbane. Risk management capability across the Group continues to be enhanced, with growing numbers of resourcing for controls management and expanded capability in a dedicated Risk Management function. The remediation program includes clearly defined work streams designed to simplify the control environment and identify any control gaps. A culture of risk awareness and an entrenched 'three-lines-of accountability' model is the Group's objective and is in the progress of being embedded. Assurance and Audit capabilities are being improved.

Risk and description	Mitigation strategy
Realising Value from Capital Projects	
There may be potential adverse impacts for the Group from a failure to generate adequate returns from the financial capital invested in capital projects.	The Group has a project management framework and has employed experienced project managers to reduce the risk of delays in completion and/or overruns in costs of capital projects and maintain oversight of joint venture investments. The Group markets and promotes its portfolio of facilities to seek to achieve a level of customer patronage needed to deliver the expected returns on investment.
Competitive Position and Customer Behaviour	
There may be potential adverse impacts on the Group's financial performance and position from increased competition and disparity in regulatory requirements in the Group's key markets in Sydney, Gold Coast and Brisbane. The ability of The Group to respond to these may be limited by conflicting priorities and financial capacity. Further, any diminution in customer satisfaction, loyalty or changes in customer behaviour may have an impact on the operating and financial performance and position of The Group. This includes behavioural change arising from changed business processes and controls.	Substantial investments have been made to develop new or improved venue facilities for the Group and to improve customer service capabilities of employees. Efforts to diversify revenue sources continue as the Group's business moves towards a more diversified entertainment offering. The Group monitors customer satisfaction and reports related metrics to management. To support and facilitate strategic priorities, change management practices are employed with specialised communication programs in place to support customers through business changes.
Political and General Business and Economic Conditions	
In light of macroeconomic events and political, economic and business conditions, geopolitical risks, natural disasters, inflationary pressures and elevated interest rates, Australia may continue to experience economic variability and uncertainty going forward. These economic and geopolitical conditions have had, and could in the future have, an adverse impact on the Group's operating and financial position and performance.	The Group works collaboratively with external stakeholders and engages actively with governments and regulators in support of common objectives. The Group monitors the external environment and responds to challenges that may impact its customers, its employees and its business, including through management of expenses and investments.

2.8 ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group is subject to the reporting requirements of the *National Greenhouse and Energy Reporting Act 2007* (***NGER Act***). The NGER Act requires the Group to report its annual greenhouse gas emissions and energy consumption for the period 1 July through 30 June each year. The Group has implemented systems and processes for the collection and calculation of the data required and receives independent limited assurance on this data. The Group submits its report in October each year in line with the filing requirements.

The Group is also subject to regulatory obligations as a signatory to, and complying with, the Australian Packaging Covenant, and as a member of the Australian Packaging Covenant Organisation (APCO). APCO is a not-for-profit organisation, accredited by the Commonwealth Government, whose role is to administer the Australian Packaging Covenant. As a signatory to the Australian Packaging Covenant, the Group's obligations include preparing and implementing an action plan and submitting annual reports to APCO. The Group submitted its second Annual Report in March 2024 and Action Plan in 2024, meeting regulatory obligations.

The Group believes its operations are not materially affected by any other significant environmental regulation under any law of the Commonwealth of Australia or any State or Territory of Australia.

The Group's Sustainability Strategy: *Responsible Business, Sustainable Destinations* and key activities to manage the sustainability risks identified as part of its materiality assessment can be found in the Company's Sustainability Reports on the Company's website in addition to existing policies and controls.

3 LOSS PER SHARE

Basic and diluted loss per share for the financial year was (66.8) cents (2023: 211.7 cents). Loss per share is disclosed in note F3 of the Financial Report.

4 DIVIDENDS

No dividends were declared or paid.

5 SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

The following events occurred after balance date:

Refinance

The Group and its lenders executed a commitment letter on 25 September 2024 for a new debt facility (of up to $200 million in two tranches) which will become effective upon completion of long-form documentation and satisfaction of various conditions precedent. The first tranche is expected to be available to be drawn, subject to conditions precedent, from the end of October 2024 through to 20 December 2024. The second tranche is subject to more extensive conditions precedent but, if satisfied, would be expected to be available to be drawn from the end of December 2024 and have a 4 month availability period following the drawing of the first tranche (see Note G).

The Group's existing $450 million facility has been reduced to $334 million, which is fully drawn.

The maturity date for the new facility is consistent with the existing term loan (December 2027). The Group will also retain up to $34 million of bank guarantees under the existing revolving credit facility.

The Company's lenders have agreed to provide covenant waivers for the next two testing dates, being 30 September 2024 and 31 December 2024, with the waiver for the latter date being subject to execution of long-form documentation for the new debt facility and other customary conditions.

Bell Two Report

On 1 August 2024, the NICC advised that its request to extend the term of the appointment of the Manager of The Star Sydney Casino by regulation to 31 March 2025 had been approved. In addition, on 30 August 2024, the NICC provided to the Company and The Star Sydney, a copy of the Bell Two Report. A copy of the non-confidential parts of the Bell Two Report was released to the public on the same day. See Note B7.

On 13 September 2024 the NICC served a 'show cause' notice on the Company pursuant to section 23 of the *Casino Control Act 1992 (NSW)* in respect of matters arising from the Bell Two Report (***Notice***). In addition to the Notice, the NICC has also asked the Company to make submissions as to the actions being taken by the Company in respect of a number of findings in the Bell Two Report relating to, among other things, the Company's suitability to hold the casino licence for The Star Sydney and progress in respect of its remediation plan. The NICC has also requested information about the Company's current financial position and its proposed plans to address these issues on an ongoing basis so that it can make informed decisions about the Company's (and The Star Sydney's) financial suitability. The Company lodged its response on Friday, 27 September 2024.

Treasury Brisbane Casino and The Star Brisbane

On 25 August 2024 Treasury Brisbane Casino owned by the Group ceased operation and will surrender its licence no later than 23 October 2024. On 28 August 2024, DBC (of which the Group owns 50%) was issued a casino licence for The Star Brisbane, which subsequently commenced operation on 29 August 2024 under the management of the Group through an agreement with DBC.

On the direction of the Department of Justice and Attorney-General dated 28 August 2024, an External Adviser has been appointed by the Minister for The Star Brisbane casino operations which are managed by the Group, the cost of which will be borne by the Group. On the same date the Group was also directed by the Department of Justice and Attorney-General to prepare a plan for the remediation of the management and operations of The Star Brisbane.

Sale of Treasury Brisbane Casino Building

Agreement was reached to sell the leasehold interest in the Treasury Brisbane Casino Building to Griffith University for $67.5 million (plus GST). After settlement adjustments, the net proceeds were $60.5 million (plus GST). Settlement occurred on 27 September 2024.

Underpaid NSW casino duty

The Group has reached agreement with L&GNSW in relation to the primary amount of underpaid casino duty payable following the completion of the independent review and an assurance review conducted by L&GNSW (see Note B7). Penalty interest, if any, has not been agreed.

Reset Remediation Plan
Following the findings from the Bell Two Report, the Company has prepared an amended remediation plan which incorporates a number of enhancements to the previously approved version of the plan. After extensive engagement with the Manager (The Star Sydney), Special Manager (The Star Gold Coast), External Adviser (The Star Brisbane) to obtain feedback, the Company submitted the amended plan and associated documents to OLGR on 18 September 2024 for consideration and approval by the Queensland Attorney General. The reset remediation plan is subject to the approval of OLGR and government in Queensland. Copies of the plan and associated documents were also submitted to the NICC for information on 20 September 2024.

Other than those events that have already been disclosed in this report or elsewhere in the Financial Report, there have been no other significant events occurring after 30 June 2024 and up to the date of this report that have materially affected or may materially affect the Group's operations, the results of those operations or the Group's state of affairs.

6 DIRECTORS' QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES

The details of the Company's Directors in office during the financial year and until the date of this report (except as otherwise stated) are set out below.

Current Directors	
Anne Ward	**Chairman** (from 29 April 2024) **Independent Non-Executive Director** (from 18 November 2022). *Barrister and Solicitor of the Supreme Court of Victoria; Fellow of the Australian Institute of Company Directors; Bachelor of Laws; Bachelor of Arts* **Experience:** Anne Ward is an experienced company director with expertise in business management, strategy, governance, risk and finance and broad industry experience spanning financial services, banking, insurance, technology, healthcare, government, education, tourism, entertainment and gaming. Anne also has considerable experience in complex governance, transformation and risk management across highly regulated sectors, including casinos. Anne is currently Chair of ASX-listed ecommerce group Articore Group Limited. Anne was formerly Chairman of Symbio Holdings Limited, Colonial First State Investments Ltd, Qantas Superannuation Ltd and Zoos Victoria, and a director of Crown Resorts Limited, MYOB Group Ltd and Flexigroup Ltd. She was previously a Council Member at RMIT University for several years, where she contributed to an uplift in governance for the university sector in Australia. Prior to her career as a professional director, Anne was a commercial lawyer for 28 years and was General Counsel for Australia at the National Australia Bank and a partner at Minter Ellison in Melbourne. **Special Responsibilities and subsidiary directorships:** - Chair of the Safer Gambling, Governance and Ethics Committee - Member of the Risk and Compliance Committee - Member of the Culture, People and Remuneration Committee - Member of the Nominations Committee - The Star Entertainment Finance Limited - The Star Pty Limited - The Star Entertainment QLD Limited - The Star Entertainment QLD Custodian Pty Ltd **Directorships of other Australian listed companies held during the last 3 years:** - Articore Group Limited (22 March 2018 to present) - Symbio Holdings Limited (22 July 2021 to 28 February 2024) - Crown Resorts Limited (13 January 2022 to 24 June 2022)

Current Directors	
Peter Hodgson	**Independent Non-Executive Director** (from 7 February 2024) *Master of Arts; Bachelor of Arts; Member of the Australian Institute of Company Directors* **Experience:** Peter is an experienced director with extensive global financial services experience and a strong business track record. He is a strategic thinker with in-depth experience in large complex companies. Peter is currently Chairman of ASX-listed Judo Bank and the Centre of Evidence and Implementation, and a director of Planum Partners, Significant Capital Ventures and Save the Children Impact Fund. He is a member of the University of Melbourne's Trinity College Investment Management Committee and a member of the advisory board of Drummond Capital Partners. Peter previously held senior executive roles in Australian and global financial institutions including Chief Risk Officer and Group Managing Director Institutional at ANZ, and was most recently Chief Executive Officer and Managing Director of Myer Family Investments. **Special Responsibilities and subsidiary directorships:** - Chair of Risk and Compliance Committee - Member of the Audit Committee - Member of the Culture, People and Remuneration Committee - Member of the Nominations Committee - The Star Entertainment Finance Limited - The Star Entertainment Brisbane Holdings Pty Ltd - The Star Entertainment DBC Holdings Pty Ltd **Directorships of other Australian listed companies held during the last 3 years:** - Judo Capital Holdings Limited (25 January 2017 to present)
Michael Issenberg	**Independent Non-Executive Director** (from 11 July 2022) *BS in Hotel Administration – Cornell University USA* *French Order of Merit (Ordre national du Mérite)* **Experience:** Michael Issenberg is an experienced executive and director with over 40 years' experience in the hotel and casino industries. Michael is currently Chairman of Tourism Australia, Director of TFE Hotels, and he is a Lifetime Member of Tourism & Transport Forum Australia and the Cornell Hotel Society. Michael was formerly the Chairman of Reef Corporate Services Limited and Non-Executive Director for over 20 years, the Responsible Entity of Reef Casino Trust. Prior to that, he held various executive roles with AccorHotels for 25 years, most recently as Chairman and Chief Executive Officer of AccorHotels Asia Pacific. He previously held the role of Chief Executive Officer of Mirvac Hotels, following a successful career at Westin Hotels and Resorts, Laventhol & Horwath, and Horwath & Horwath Services Pty Limited in San Francisco and Sydney. **Special Responsibilities and subsidiary directorships:** - Chair of the Culture, People and Remuneration Committee - Member of the Audit Committee - Member of the Safer Gambling, Governance and Ethics Committee - Member of the Nominations Committee - The Star Entertainment Sydney Holdings Limited - The Star Entertainment QLD Custodian Pty Ltd - The Star Entertainment Brisbane Operations Pty Ltd **Directorships of other Australian listed companies held during the last 3 years:** - Reef Corporate Services as responsible entity of Reef Casino Trust (21 January 2002 to 18 March 2022)

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2024

Current Directors	
Deborah Page AM	Independent Non-Executive Director (from 13 March 2023) *Bachelor of Economics, Fellow of Chartered Accountants Australia and New Zealand, Fellow of the Australian Institute of Company Directors* Experience: Deborah Page is a Chartered Accountant with dual audit partner and CFO experience during her executive career. She has specific experience in corporate finance, accounting, audit, mergers and acquisitions, capital markets, insurance and joint venture arrangements. Deborah has extensive experience as a company director gained across ASX listed, private, public sector and regulated entities since 2001. Her relevant sector experience includes property, technology, and the regulated sectors of insurance and funds management. Deborah's experience includes Board leadership, governance and compliance, risk management, remuneration practices, investor relations and health, safety and environment. Deborah is currently a Non-Executive Director of Brickworks Limited, Growthpoint Properties Australia Limited and Magellan Financial Group Limited. Deborah is a member of Chief Executive Women and a member of the Takeovers Panel. Special Responsibilities and subsidiary directorships: - Chair of the Audit Committee - Member of the Risk and Compliance Committee - Member of the Safer Gambling, Governance and Ethics Committee - Member of the Nominations Committee - The Star Entertainment Finance Limited - The Star Pty Limited - The Star Entertainment QLD Limited Directorships of other Australian listed companies held during the last 3 years: - Brickworks Limited (1 July 2014 to present) - Growthpoint Properties Australia Limited (1 March 2021 to present) - Magellan Financial Group Limited (3 October 2023 to present) - Pendal Group Limited (7 April 2014 to 23 January 2023) - Service Stream Limited (21 September 2010 to 30 April 2023)

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2024

Current Directors	
Antonia Thornton	**Independent Non-Executive Director** (from 17 October 2023) *Master of Laws, Bachelor of Arts, Graduate Certificate in Finance* **Experience:** Antonia is an experienced executive with more than 15 years' corporate finance and strategic advisory experience, and 13 years' experience in audit at Board-level. Antonia brings a strategic commercial focus and experience in regulated industries including financial services, education and energy sector as well as experience in property and placemaking. Antonia is currently a Non-Executive Director of G8 Education Limited and Habitat Early Learning and its subsidiaries. Antonia was previously a Non-Executive Director of South Bank Corporation (the development and management authority for Brisbane's South Bank precinct), Devcorp, Gallipoli Medical Research Foundation, Triathlon Queensland, CS Energy (a Queensland Government energy company) and Millovate Pty Ltd. Prior to embarking on her Board career, Antonia had an executive career, holding senior roles with JBWere, Goldman Sachs JBWere, and National Australia Bank. **Special Responsibilities and subsidiary directorships:** - Chair of the Compliance Committees of casino licensee subsidiaries - Member of the Culture, People and Remuneration Committee - Member of the Risk and Compliance Committee - Member of the Nominations Committee - The Star Entertainment Sydney Holdings Limited - The Star Entertainment Brisbane Operations Pty Ltd **Directorships of other Australian listed companies held during the last 3 years:** - G8 Education Limited (29 November 2021 to present)

Former Directors	
Robbie Cooke	**Group Chief Executive Officer** (from 17 October 2022 to 22 March 2024) **Managing Director** (from 18 November 2022 to 22 March 2024) *Bachelor of Laws (Honours); Bachelor of Commerce; Graduate Diploma in Company Secretarial Practice; Associate of the Governance Institute of Australia; Member of the Australian Institute of Company Directors; Solicitor of the Supreme Court of Queensland*
David Foster	**Chairman** (from 31 March 2023 to 29 April 2024) **Independent Non-Executive Director** (from 15 December 2022 to 22 March 2024) **Executive Director** (from 22 March 2024 to 21 June 2024) *Master of Business Administration; Bachelor of Applied Science; Fellow of the Australian Institute of Management; Senior Fellow of the Financial Services Institute of Australasia; Member of the Australian Institute of Company Directors*

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2024

7 DIRECTORS' INTERESTS IN SECURITIES

At the date of this report (except as otherwise stated), the Directors had the following relevant interests in the securities of the Company:

	Ordinary Shares	Performance Rights	Premium Exercise Price Options
Current			
Anne Ward [a]	100,000	Nil	Nil
Peter Hodgson [b]	95,000	Nil	Nil
Michael Issenberg	32,122	Nil	Nil
Deborah Page AM	57,016	Nil	Nil
Antonia Thornton [c]	170,000	Nil	Nil
Former			
Robbie Cooke [d]	101	113,525	195,616
David Foster [e]	Nil	Nil	Nil

a Appointed as Chairman on 29 April 2024.

b Appointed as Non-Executive Director on 7 February 2024 following the receipt of all necessary regulatory approvals.

c Appointed as Non-Executive Director on 17 October 2023 following the receipt of all necessary regulatory approvals.

d Ceased as Group Chief Executive Officer and Managing Director on 22 March 2024.

e Ceased as Independent Non-Executive Director on 22 March 2024, appointed as Executive Director/Chairman on 22 March 2024, ceased as Chairman on 29 April 2024, and ceased as Executive Director on 21 June 2024.

8 COMPANY SECRETARY

Jennie Yuen holds the position of Group Manager Shareholder Relations and Company Secretary (appointed on 29 July 2021).

Ms Yuen has a commercial and corporate law background in private practice and over 15 years of company secretariat and corporate governance experience with ASX listed and public companies.

Prior to joining The Star Entertainment Group, Ms Yuen was employed as a solicitor and company secretary at Company Matters Pty Limited and was the outsourced company secretary of various ASX listed companies, including Analytica Limited, National Leisure and Gaming Limited and Oaks Hotels & Resorts Limited.

Ms Yuen holds a Bachelor of Laws and a Bachelor of Commerce. She is a member of the Queensland Law Society and a Fellow of the Governance Institute of Australia.

9 BOARD AND COMMITTEE MEETING ATTENDANCE

During the financial year ended 30 June 2024, the Company held 48 meetings of the Board of Directors (including 28 out of cycle meetings). The numbers of Board and Committee meetings attended by each of the Directors during the year are set out in the table below.

	Board of Directors		Audit Committee		Risk & Compliance Committee		Culture, People and Remuneration Committee [a]		Nomination Committee [b]		Safer Gambling, Governance & Ethics Committee	
Directors	A	B	A	B	A	B	A	B	A	B	A	B
Anne Ward [c]	45	46	-	-	6	7	6	6	-	-	4	5
Peter Hodgson [d]	18	18	3	4	2	2	2	2	-	-	-	-
Michael Issenberg	43	47	9	9	-	-	6	6	-	-	5	5
Deborah Page AM	47	48	9	9	7	7	-	-	-	-	5	5
Antonia Thornton [e]	28	29	-	-	5	5	3	3	-	-	-	-
Former												
Robbie Cooke [f]	34	37	-	-	-	-	-	-	-	-	-	-
David Foster [g]	46	46	9	9	6	6	5	5	-	-	4	4

A - Number of meetings attended as a Board or Committee member.

B - Maximum number of meetings available for attendance as a Board or Committee member.

a The Culture, People and Remuneration Committee was formerly the Remuneration and People Committee (name changed on 30 November 2023).

b The Nominations Committee was established on 30 April 2024 but did not hold any meetings during the financial year.

c Appointed as Chairman on 29 April 2024.

d Appointed as Non-Executive Director on 7 February 2024 following the receipt of all necessary regulatory approvals.

e Appointed as Non-Executive Director on 17 October 2023 following the receipt of all necessary regulatory approvals.

f Ceased as Group Chief Executive Officer and Managing Director on 22 March 2024.

g Ceased as Independent Non-Executive Director on 22 March 2024, appointed as Executive Director/Chairman on 22 March 2024, ceased as Chairman on 29 April 2024, and ceased as Executive Director on 21 June 2024.

Details of the functions and memberships of the Committees of the Board and the terms of reference for each Board Committee are available from the Corporate Governance section of the Company's website.

10 INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Directors and Officers of the Company are indemnified against liabilities pursuant to agreements with the Company. The Company has entered into insurance contracts with third party insurance providers, in accordance with normal commercial practices. Under the terms of the insurance contracts, the nature of the liabilities insured against and the amount of premiums paid are confidential.

11 INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the end of the financial year.

12 NON-AUDIT SERVICES

Ernst & Young, the external auditor to the Company and the Group, provided non-audit services to the Company during the financial year ended 30 June 2024. The Directors are satisfied that the provision of non-audit services during this period was compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001 (Cth)*. The nature and scope of each type of non-audit service provided did not compromise auditor independence. These statements are made in accordance with advice provided by the Audit Committee.

The Audit Committee reviews the activities of the independent external auditor and reviews the auditor's performance on an annual basis.

Limited authority is delegated to the Group Chief Financial Officer for the pre-approval of audit and non-audit services proposed by the external auditor, limited to $50,000 per engagement and capped at 40% of the relevant year's audit fee. Delegated authority is only exercised in relation to services that are not in conflict with the role of statutory auditors, where management does not consider the services to impair the independence of the external auditor and the external auditor has confirmed that the services would not impair their independence. Any other non-audit related work to be undertaken by the external auditor must be approved by the Chair of the Audit Committee.

Further details relating to the Audit Committee and the engagement of auditors are available in the Corporate Governance Statement.

Ernst & Young, acting as the Company's external auditor, received or is due to receive the following amounts in relation to the provision of non-audit services to the Company:

Description of services	$000
Fees for other assurance and agreed-upon-procedures services (including sustainability assurance) under contractual arrangements, where there is discretion as to whether the service is provided by the auditor	167.8
Fees for other advisory and compliance services	220.0
Total of all non-audit and other services	**387.8**

Amounts paid or payable by the Company for audit and non-audit services are disclosed in note F10 of the Financial Report.

13 ROUNDING OF AMOUNTS

The Star Entertainment Group Limited is a company of the kind specified in the Australian Securities and Investments Commission's *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.* In accordance with that Instrument, amounts in the Financial Report and the Directors' Report have been rounded to the nearest hundred thousand dollars unless specifically stated to be otherwise.

14 AUDITOR'S INDEPENDENCE DECLARATION

Attached is a copy of the auditor's independence declaration provided under section 307C of the *Corporations Act 2001 (Cth)* in relation to the audit of the Financial Report for the year ended 30 June 2024. The auditor's independence declaration forms part of this Directors' Report.

This report has been signed in accordance with a resolution of Directors.

Anne Ward
Chairman
Sydney
30 September 2024

Building a better working world

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

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Fax: +61 2 9248 5959
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Auditor's Independence Declaration to the Directors of The Star Entertainment Group Limited

As lead auditor for the audit of the financial report of The Star Entertainment Group for the financial year ended 30 June 2024, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of The Star Entertainment Group Limited and the entities it controlled during the financial year.

Ernst & Young

Scott Jarrett
Partner
30 September 2024

THE STAR ENTERTAINMENT GROUP

The Star Entertainment Group Limited

A.C.N. 149 629 023

ASX Code: SGR

and its controlled entities

Remuneration Report (audited)

for the year ended 30 June 2024

DIRECTORS', REMUNERATION AND FINANCIAL REPORT

THE STAR ENTERTAINMENT GROUP

INTRODUCTION FROM THE CULTURE, PEOPLE AND REMUNERATION COMMITTEE CHAIR

Dear Shareholder,

On behalf of the Board, I present the Remuneration Report for the year ended 30 June 2024 (**FY24**). This report is prepared on a consistent basis to the previous year for ease of reference.

FY24 has been another challenging year for The Star as we continue to work hard to regain the trust of our shareholders, guests, regulators and the community and restore the value of your company. I want to thank Management and Team Members across the business who are working tirelessly to deliver our remediation program, a roadmap to restoring and retaining our suitability to hold casino licences in NSW and Queensland.

The FY23 Remuneration Report received positive support from shareholders with 82.81% voting for its adoption.

FY24 REMUNERATION PROGRAM REVIEW

The remuneration framework plays an important role in reinforcing the right behaviours and culture across The Star. In FY24, the remuneration framework was reviewed to ensure that the remuneration tools in place support the Board and management in the development of a strong risk management and regulatory compliance culture. As a result, design changes were made to both the Short Term Incentive Plan (**STI**) and the Long Term Incentive Plan (**LTI**) and a Consequence Management Framework was introduced to further reinforce individual accountability. These changes are outlined in sections 3.3, 3.4 and 3.6 of this report and are integral to our cultural transformation and return to suitability.

FY24 SHORT TERM INCENTIVE OUTCOME

The majority of the Group Key Performance Indicators for the FY24 STI were met or partially met, with the exclusion of the EBITDA target. However, the Board utilised its discretion to determine that the remediation gateway was not met as the quality of deliverables was deemed inadequate. As a result, no STI pool was formed in relation to the Company based STI metrics.

Additionally, the Board utilised its discretion to reduce the individual component of the STI award to zero for all participants. This decision was made on the basis of the current uncertainty regarding the outcomes of the Bell Two inquiry, coupled with softer trading conditions and other financial pressures impacting the Company's financial position.

Section 5.1 provides a detailed assessment of the outcomes delivered against the Group KPIs for FY24 and details of the discretion exercised by the Board.

LONG TERM INCENTIVE PLAN

The FY20 LTI award was tested against the Total Shareholder Return (**TSR**), Earnings Per Share (**EPS**) and Return On Invested Capital (**ROIC**) performance hurdles. The hurdles were not met and the awards were forfeited in full for the fifth consecutive year.

The FY21 LTI award will be tested against the relevant performance hurdles in September 2024.

LEADERSHIP CHANGES

There were numerous changes to the Board and Group Leadership Team (**GLT**) in FY24. The Company has made the following key appointments as it continues to enhance its leadership and further its remediation efforts:

- Janelle Campbell, Chief Executive Officer, The Star Sydney (commenced 25 January 2024)
- Daniel Finch, Chief Executive Officer, The Star Brisbane (commenced 19 February 2024)
- Neale O'Connell, Interim Chief Financial Officer and Acting CEO (commenced on 25 March 2024 and subsequently assumed the additional role of Acting CEO on 24 June 2024)
- Anne Ward, Chairman (effective from 29 April 2024)
- Rowena Craze, Group Chief Audit Officer (commenced 30 April 2024)
- Jeannie Mok, Group Chief Operating Officer (subject to regulatory approval, commenced 11 June 2024)
- Steve McCann, Group Chief Executive Officer | Managing Director (subject to regulatory approval, commenced 8 July 2024)

Further detail around the timing of the individual KMP changes, including departures, appears at page 29.

On behalf of the Board, I invite you to read the Remuneration Report and we welcome your feedback.

Yours Sincerely,

Michael Issenberg
Culture, People and Remuneration Committee Chair


REMUNERATION REPORT

FOR THE YEAR ENDED 30 JUNE 2024

CONTENTS

The Directors of The Star Entertainment Group Limited **(The Star Entertainment Group** or the **Company)** have approved this Remuneration Report for the consolidated entity comprising the Company and its controlled entities (collectively referred to as the **Group**) ***in respect of the financial year ended 30 June 2024.***

This Remuneration Report outlines the remuneration arrangements for Key Management Personnel (**KMP**) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director whether executive or otherwise) of The Star Entertainment Group Limited. This report has been prepared in accordance with the requirements of the *Corporations Act 2001, (Cth)* (**the Corporations Act**) and its regulations. The information has been audited as required by section 308(3C) of the Corporations Act where indicated.

For the purposes of this report, the term **'Executive KMP'** means the Group Chief Executive Officer | Managing Director (**Group CEO | MD**), the Group Interim Chief Financial Officer, the Group Chief Risk Officer, the Chief Executive Officer, The Star Sydney, the Chief Executive Officer, The Star Brisbane, the Group Chief Operating Officer and the former Chief Executive Officer, The Star Gold Coast, but excludes Non-Executive Directors (**NEDs**).

THE STAR ENTERTAINMENT GROUP LIMITED
A.C.N. 149 629 023
ASX CODE: SGR
AND ITS CONTROLLED ENTITIES

01. KEY MANAGEMENT PERSONNEL

The names and titles of the Company's KMP for the year ended 30 June 2024 are set out below.

NON-EXECUTIVE DIRECTORS
CURRENT

Anne Ward[1]
Chairman
Chair of Safer Gambling, Governance & Ethics Committee
Chair of Nominations Committee

Deborah Page AM
Chair of Audit Committee

Michael Issenberg
Chair of Culture, People and Remuneration Committee

Peter Hodgson[2]
Chair of Risk & Compliance Committee

Antonia Thornton[3]
Chair of Compliance Committees

FORMER

David Foster[4]
Non-Executive Director and Chairman

CURRENT EXECUTIVE KMP

Neale O'Connell[5]
Acting CEO / Interim Group Chief Financial Officer

Jeannie Mok[6]
Group Chief Operating Officer
(subject to regulatory approval)

Scott Saunders[7]
Group Chief Risk Officer

Janelle Campbell[8]
Chief Executive Officer, The Star Sydney

Daniel Finch[9]
Chief Executive Officer, The Star Brisbane

FORMER EXECUTIVE KMP

Robbie Cooke[10]
Group CEO | MD

Christina Katsibouba[11]
Group Chief Financial Officer

Jessica Mellor[12]
Chief Executive Officer, The Star Gold Coast

[1] On 29 April 2024, the Company announced the appointment of Anne Ward as Chairman of the Board effective immediately.

[2] On 7 July 2023, the Company announced the appointment of Peter Hodgson as a Non-Executive Director, subject to casino regulatory approvals being obtained. Peter Hodgson commenced as a Non-Executive Director on 7 February 2024.

[3] On 11 November 2022, the Company announced the appointment of Antonia **(Toni)** Thornton as a Non-Executive Director, subject to casino regulatory approvals being obtained. Toni Thornton commenced as a Non-Executive Director on 17 October 2023.

[4] On 22 March 2024, the Company announced David Foster as Executive Chairman. On 29 April 2024, with the appointment of a new Chairman, the Company announced that Mr Foster would remain on the Board and continue in his Executive responsibilities. Mr Foster subsequently resigned from the Company, his cessation date was 21 June 2024.

[5] On 22 March 2024 the Company announced the appointment of Neale O'Connell as Interim Group Chief Financial Officer. Mr O'Connell was subsequently appointed as Acting CEO on 24 June 2024. He will cease the Acting CEO role once Steve McCann receives his regulatory approvals.

[6] Jeannie Mok commenced on 11 June 2024.

[7] On 1 August 2023 Scott Saunders' title changed from Chief Risk Officer to Group Chief Risk Officer. Mr Saunders subsequently resigned from his role on the 31st of July 2024 and will continue to work until his termination date of 31 January 2025.

[8] On 25 January 2024, the Company announced the appointment of Janelle Campbell as Chief Executive Officer, The Star Sydney.

[9] On 23 January 2024, the Company announced the appointment of Daniel Finch to the role of Chief Executive Officer, The Star Brisbane.

[10] Robbie Cooke's cessation date with the Company was 22 March 2024.

[11] Christina Katsibouba's cessation date with the Company was 30 June 2024.

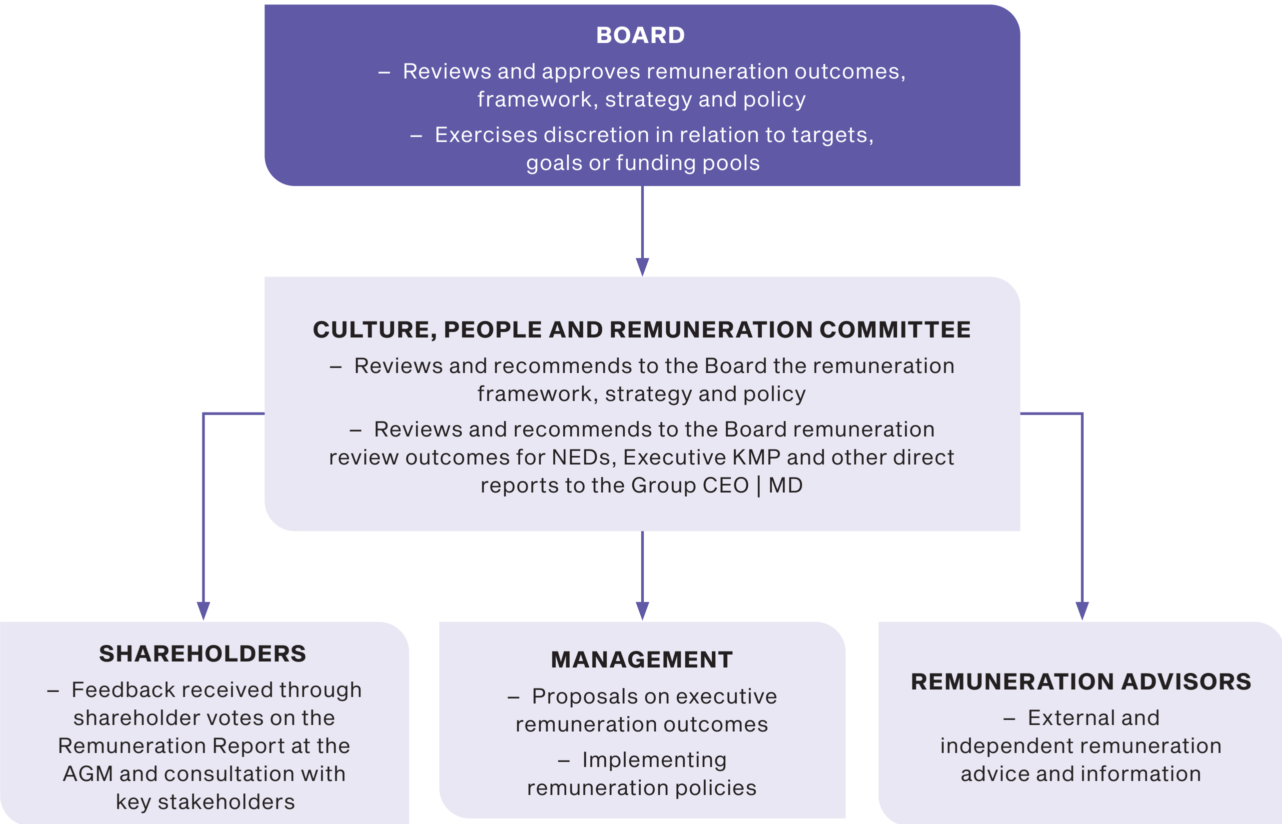
[12] Jessica Mellor resigned on 18 April 2024 and is currently on gardening leave until her termination date of 15 September 2024.

02. REMUNERATION GOVERNANCE

The Culture, People & Remuneration Committee (**the Committee**) considers matters relating to the remuneration of KMP as well as the remuneration policies of the Group generally. This includes reviewing and recommending to the Board, the remuneration of the Chairman and NEDs, Executive KMP and other direct reports to the Group MD | CEO. The main responsibilities of the Committee are outlined in the Committee available on the corporate governance page of the Company's website at: **www.starentertainmentgroup.com.au/corporate-governance/**

Under the Committee's Charter, the majority of Committee members must be independent non-executive directors and the Chair of the Committee must be an independent non-executive director. All members of the Committee (including the Chair of the Committee) are independent non-executive directors. Details of members of the Committee and their background are included in the Directors' Report.

THE FOLLOWING DIAGRAM REPRESENTS THE STAR ENTERTAINMENT GROUP'S REMUNERATION DECISION-MAKING STRUCTURE



USE OF REMUNERATION ADVISORS

The Committee seeks external advice from time to time to ensure it is fully informed when making remuneration decisions. Remuneration advisors are engaged by, and report directly to, the Committee. PricewaterhouseCoopers (**PwC**) are the Group's appointed independent external remuneration consultants. No remuneration recommendations as defined by the Corporations Act were provided by PwC during FY24.

GENDER PAY EQUITY

The Group is committed to all employees being remunerated fairly and equitably. The Group conducts annual gender pay equity reviews that are presented to the Committee and continues to address any gender pay equity issues as they arise.

03. REMUNERATION STRATEGY AND PROGRAMS

3.1 REMUNERATION OVERVIEW

REMUNERATION PRINCIPLES

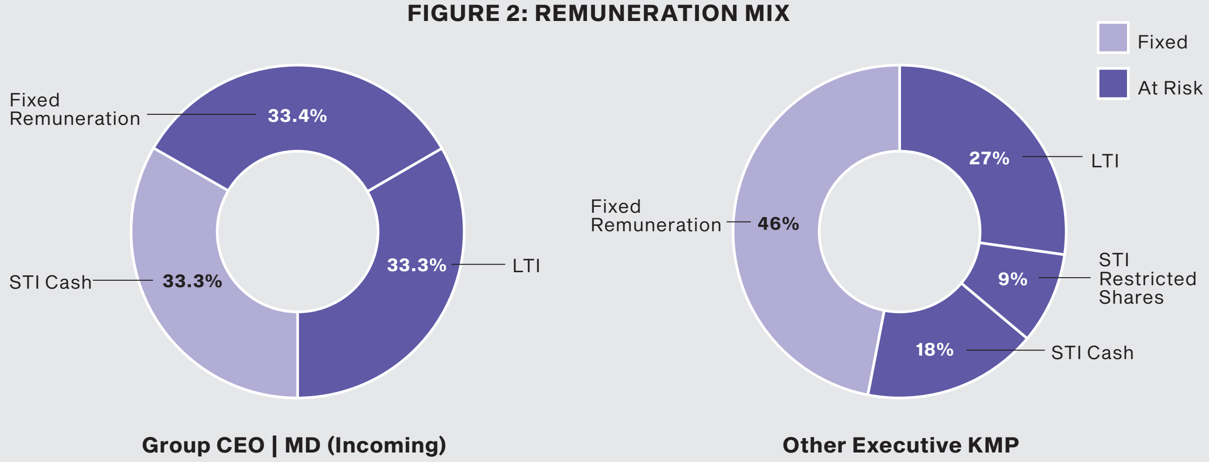
The following remuneration principles underpin and guide the design of remuneration programs:

FIGURE 1: REMUNERATION PRINCIPLES

REMUNERATION MIX

Variable remuneration (comprising STI and LTI at target amounts) accounts for the majority of the total remuneration mix for the Group Group CEO | MD and other Executive KMP as illustrated in Figure 2 below.

FIGURE 2: REMUNERATION MIX



REMUNERATION TIME HORIZON

Figure 3 provides an illustrative indication of how remuneration will be delivered to Executive KMP.

FIGURE 3: REMUNERATION TIME HORIZON

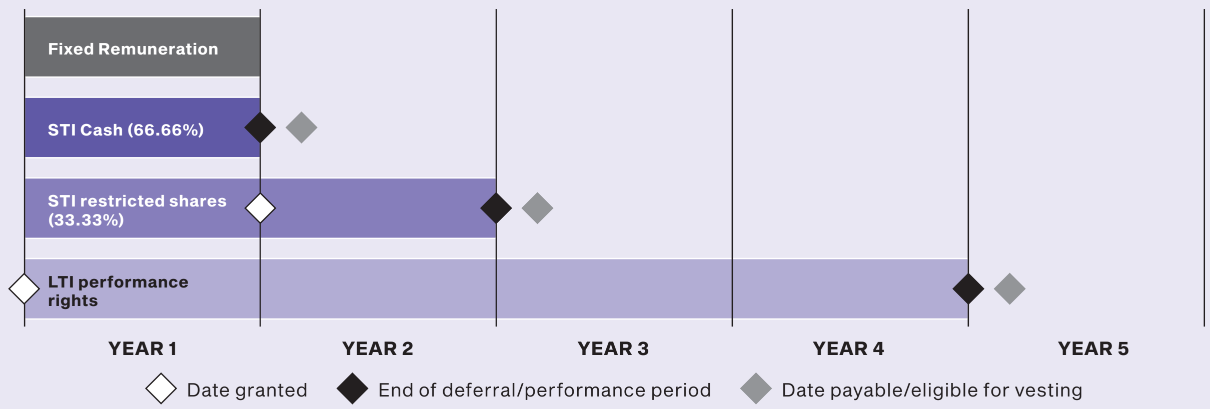


Table 1 below summarises the components of Executive KMP's Total Annual Reward (**TAR**) and their link to the strategic objectives of the Group.

TABLE 1: COMPONENTS OF EXECUTIVE KMP'S TAR OPPORTUNITY

	Fixed Remuneration	STI	LTI
Rationale	Fixed remuneration forms an integral component of the overall employee value proposition of the Group, designed to attract and retain the talented teams required to operate the business. Annual pay reviews occur in August each year with remuneration changes effective from 1 September.	The STI is designed to reward participants for execution of the Company's strategy and achievement of operational goals during the performance period. Company KPIs are reviewed annually and reflect the most critical strategic priorities for the financial year.	The LTI is designed to reward participants for their contribution towards achieving the Group's strategic priorities orientated around delivering long term sustainable shareholder value creation. Performance for FY24 is measured against: – Relative Total Shareholder Return (**TSR**) – Return to suitability
Structure	Base remuneration and superannuation.	Two thirds cash, one third restricted shares deferred for one year.	Performance rights and premium exercise priced options with vesting subject to performance over a four year period.
Quantum	Targeted at the median of relevant external peer group.	Executive KMP target 60% of fixed remuneration. Group CEO | MD target 100% of fixed remuneration.	Executive KMP target 60% of fixed remuneration. Group CEO | MD target 100% of fixed remuneration.

3.2 FIXED REMUNERATION

The fixed remuneration received by Executive KMP may include base salary, superannuation and non-monetary benefits. The amount of fixed remuneration an executive receives is based on the following:

- Scope and responsibilities of the role;
- Reference to the level of remuneration paid to executives of comparable ASX-listed organisations, with similar market capitalisation (range 70% to 160% of The Star Entertainment Group's market capitalisation) and appropriate gaming and entertainment peers; and
- Level of international and domestic gaming knowledge, skills and experience of the individual.

Fixed remuneration is reviewed annually, and the policy is to target fixed remuneration at the median of the market. Fixed remuneration may deviate from the market median depending on the individual's capabilities and other business factors.

3.3 STI DESIGN

As noted in the FY23 Remuneration Report, the Company undertook a review of the design of its remuneration programs to ensure that the remuneration tools in place support the Board and Management in the development of a strong risk management and regulatory compliance culture. Below summarises the changes made to the STI plan as a result of this review.

Changes to the FY24 STI plan design:

- A Remediation Gateway was introduced, which must be met for any payments to be made with respect to the Group Key Performance Indicators (**KPI**)
- The Group Regulatory Compliance and Risk Management metric weighting was increased to 30% of the award opportunity to recognise the Company's focus on this critical area in the business. This metric takes into account safety measures, mandatory compliance training and delivery of remediation program milestones.
- Individual performance was increased from 20% to 30% of the overall STI award for Executive KMP. This allows for emphasis to be placed on individual performance and behaviours to drive individual accountability.
- An overarching behavioural assessment was also introduced to assess Executive KMP on the behaviours displayed when delivering against objectives. This three point scale aims to adjust individual ratings where behaviours exhibited are either below or above expectations as it relates to the Company's Purpose, Values and Principles (**PVP**).
- Lastly, the individual rating scale was expanded from a 5 point to a 7 point scale. This was done to provide greater differentiation of individual performance across the Company and Executive KMP team.

The number of employees who participated in the STI for FY24 was 888 (increased from 776 for FY23). Each of the Executive KMP participated in the plan except for Neale O'Connell as he is on a maximum term contract. Refer to page 46 for contract details.

Table 2 sets out the key features of the STI.

TABLE 2: KEY DESIGN FEATURES OF THE STI

<table>
<tr><td>Purpose</td><td>To reward participants for execution of the Group's strategy and achievement of operational goals during the performance period.</td></tr>
<tr><td>Remediation Gateway[1]</td><td>Delivery of FY24 Remediation Program Milestones, per the timings in the remediation plan, evidenced by closure memos approved by the Program Sponsors[2] and the Board.</td></tr>
<tr><td>Performance Metrics and weightings</td><td>
<table>
<tr><th>Metric</th><th>Weighting</th></tr>
<tr><td>Group EBITDA</td><td>25%</td></tr>
<tr><td>Group Guest Satisfaction</td><td>10%</td></tr>
<tr><td>Group Regulatory Compliance and Risk Management</td><td>30%</td></tr>
<tr><td>Group Engagement</td><td>5%</td></tr>
<tr><td>Individual Performance</td><td>30%</td></tr>
</table>
</td></tr>
<tr><td>Group Performance Metrics Payment Scale</td><td>Group performance metrics are assessed by measuring each individual outcome against the Board approved targets.
<table>
<tr><th>Outcome %</th><th>Payout %</th></tr>
<tr><td><90%</td><td>No payment</td></tr>
<tr><td>90%</td><td>50%</td></tr>
<tr><td>95%</td><td>75%</td></tr>
<tr><td>100%</td><td>100%</td></tr>
<tr><td>110%</td><td>150%</td></tr>
</table>
</td></tr>
<tr><td>Individual Performance Payment Scale</td><td>Individual performance is determined by assessing performance against individual priorities to arrive at a performance rating. Individual ratings may then be modified by the individual behavioural assessment process if behaviours either exceed or are misaligned with expectations. Performance ratings link to indicative payouts as follows:
<table>
<tr><th>Rating</th><th>Payout % Range</th></tr>
<tr><td>1 – Not met</td><td>No payment</td></tr>
<tr><td>2 – Below Target</td><td>25%</td></tr>
<tr><td>3 – Low on Target</td><td>50%</td></tr>
<tr><td>4 – On Target</td><td>100%</td></tr>
<tr><td>5 – High on Target</td><td>110%</td></tr>
<tr><td>6 – Exceeds Target</td><td>120%</td></tr>
<tr><td>7 – Outstanding</td><td>150%</td></tr>
</table>
</td></tr>
</table>

[1] Remediation gateway is applicable to Group performance metrics only.

[2] Program Sponsors are defined as the Group Leadership Team Member who has responsibility for sign off on remediation plan milestones with in their department.

Payment calculation	A participant's individual STI award is based on the following calculation: Fixed Remuneration X Individual Target STI % X Performance Metrics Outcome % (0 – 150%) = Individual STI award (capped at 150% x target)
Incentive opportunity levels	Opportunities are based on the participant's incentive target in their employment contract (refer Table 14). The payment range available is 0% – 150% of the participant's incentive target.
Delivery of payments	Two-thirds of payments are delivered in cash in September. One-third of all payments are held in restricted shares for a period of twelve months from the date of the award. These shares are forfeited in the event that the participant voluntarily terminates from the Group or is terminated with cause (refer Clawback below). Restricted shares may also be forfeited in part or full in instances of fraud, dishonesty, breach of obligations including the Group's Code of Conduct. Participants are entitled to receive dividends and have voting rights during the restriction period, however they are unable to vote on remuneration resolutions at the AGM.
Clawback	Incentives may be clawed back where there has been a material misrepresentation of the financial outcomes on which the payment had been assessed and/or the participant's actions have been found to be fraudulent, dishonest or in breach of the Group's Code of Conduct (e.g. misconduct). This provision may extend up to the prior three financial years of STI payments.
Guiding Principles for informing discretion	1. **Nature and timing of adjustments** – adjustments, both positive and negative, will only be made to the performance/reward outcome (rather than the target) at the time of vesting. 2. **Transparency** – the Company will provide a clear rationale and disclosure for any adjustments made (for example, providing a reconciliation to statutory results), especially in cases where, prima facie, performance has not been achieved. 3. **Material or significant events** – adjustments will only be made for events or items over the performance period that have a material impact on the outcome. Adjustments will also only be made where it has an impact on the result of the award. 4. **Balancing short term and long term performance** – adjustments will be made that balance the interests of short term performance outcomes with long term performance outcomes. For example, where a short term objective was not met because a strategic decision was taken to support a longer term objective. Adjustments will, where appropriate, be informed by the assumptions used in the business plan from which the target was set, to determine whether there has been a material deviation in the assumptions used and whether this was outside of management's control. 5. **Maintain plan integrity** – adjustments will be carefully considered to ensure they maintain the plan's integrity and purpose. 6. **Assessing behavioural impacts on performance outcomes** – the actions of participants will be considered in the achievement of performance metrics to assess adherence to the Company's code of conduct. 7. **Exercising discretion consistently and fairly** – the use of discretion will be applied consistently both positively and negatively and information used will be sufficiently objective and free from bias to ensure decisions are arrived at fairly.

3.4 LTI DESIGN

The LTI was also subject to review during FY24 to ensure the design aligned to the Company's long term suitability goals. As such, the LTI design was amended and the following changes were implemented:

- 30% of the award was delivered as premium exercise priced options, subject to a return to suitability performance hurdle
- 70% of the award was delivered as performance rights subject to a total shareholder return (**TSR**) hurdle, with the previous earnings per share and return on invested capital hurdles being removed.

In FY24, there were 34 participants invited to participate in the plan (20 participants in FY23). Each of the Executive KMP participates in the plan with the exception of Neale O'Connell who is on a maximum term contract.

TABLE 3: KEY DESIGN FEATURES OF THE LTI PLAN

Purpose	The LTI is designed to reward participants for their contributions towards achieving the Group's strategic priorities orientated around delivering long term sustainable shareholder value.	
Type of Equity Award	**Performance Rights (zero exercise priced options) (70% of award)**	**Premium Exercise Priced Options (30% of award)**
	Each performance right is a right to receive a number of fully paid ordinary shares in the Company, subject to the satisfaction of the Performance Condition. In general, upon satisfaction of Performance Condition and provided the holder is still employed on the Vesting Date, performance rights will Vest and will be automatically exercised. The holder will receive full voting and dividend rights corresponding to the rights of all other holders of ordinary shares in the Company.	Each premium exercise priced option provides the right (but not the obligation) to buy a share at a predetermined price on or before a future date. In general, upon satisfaction of the Performance Condition and provided the holder is still employed on the Vesting Date, the Options will Vest and be capable of being exercised at the discretion of the holder prior to the Expiry Date. The exercise of an Option will generally require the payment of the applicable exercise price. The holder will then be allocated one share for every validly exercised Option.
Determination of the number of performance rights	The number of performance rights allocated to a participant is based on 70% of their Target LTI award, divided by the Face Value of a Performance Right as shown in the following calculation: 70% of Target LTI ($) ÷ Face Value of a performance right = Number of performance rights allocated The Face Value reflects the face value of the share at the effective Grant Date with reference to the volume weighted average price (**VWAP**) of the Company's shares traded on the ASX on the 20 trading days prior to the Effective Grant Date. Details of annual grants to Executive KMP are set out in Table 10.	
Determination of the number of premium exercise priced options	The number of premium exercise priced options allocated to a participant is based on 30% of their Target LTI award, divided by the Fair Value of an Option, as shown in the following calculation: 30% of Target LTI ($) ÷ Fair Value of an Option = Number of premium exercise priced options allocated The Fair Value of an Option is determined by the Board with reference to a four-step process using a Monte Carlo simulation to project future share prices, and then a binomial model to value the option on vesting. The simulation process is carried out 150,000 times to produce 150,000 possible outcomes. The valuation result is calculated as the average of the outcomes.	
	Performance Rights	**Premium Exercise Priced Options**
Dividend entitlements	Participants are not entitled to dividends until shares are allocated (based on meeting the relevant performance hurdles). At that time, dividends will either be paid by allocating dividend equalisation shares or by means of a cash equivalent payment, based on actual dividends paid to shareholders during the vesting period, the degree to which performance hurdles were met and the extent of vesting of the award.	Participants are not entitled to dividends with respect to any Premium Exercise Priced Options. The non receipt of dividends over the vesting period has been factored into the Fair Value of an Option.

<table>
<tr><td>Test Date and Vesting date</td><td>Performance rights are tested on the fourth anniversary of the Effective Grant Date and are not subject to retesting.

The return to suitability performance hurdle for the Premium exercise priced options will be continuously monitored and the Board may determine to vest the options at any time up until the options expire, being the 24th of November 2028, i.e. the 4th anniversary of the options valuation date.</td></tr>
<tr><td>Vesting conditions - Performance Rights</td><td>TSR

The Company’s TSR ranking against the peer group of companies (relative TSR) is used as a performance hurdle, as it directly aligns the interests of participants with the interests of shareholders, which is to maximise its TSR compared with the TSR for peer companies.

The table below sets out the vesting scale for TSR. The Company’s TSR ranking, compared to its peer group, must be at least at the 50th percentile for any vesting to occur.

<table>
<tr><th>TSR Percentile Ranking</th><th>Percentage of awards vesting</th></tr>
<tr><td>Below the 50th percentile</td><td>0% vesting</td></tr>
<tr><td>At the 50th percentile</td><td>50% vesting</td></tr>
<tr><td>Above the 50th and below the 75th percentile</td><td>Pro-rata between 50% (at 50th percentile) and 100% (at 75th percentile)</td></tr>
<tr><td>At or above the 75th percentile</td><td>100%</td></tr>
</table></td></tr>
<tr><td>Vesting conditions - Premium Exercise Priced Options</td><td>Return to suitability

The Company "Returning to Suitability within both NSW and Queensland" is used as a performance hurdle as it directly aligns the interests of participants with the interest of shareholders for the Company to be suitable to hold Casino licenses.

This outcome is a binary met/not met outcome, as determined by the Board.</td></tr>
<tr><td>Cessation of employment, Change of Control and Clawback</td><td>All unvested performance rights and options lapse immediately upon cessation of employment with the Group. However, the Board has discretion in special circumstances to determine the number of performance rights or options retained and the terms applicable. Special circumstances include events such as retirement, redundancy, death and permanent disability. If a Change of Control Event occurs, or the Board determines in its absolute discretion that a Change of Control Event may occur, the Board will determine in its absolute discretion appropriate treatment regarding any awards.

Unvested rights or options may be forfeited where there has been a material misrepresentation of the financial outcomes on which the award had been assessed and/or the participant’s actions have been found to be fraudulent, dishonest or in breach of the Company’s Code of Conduct (e.g. misconduct).</td></tr>
<tr><td>Guiding principles for informing discretion</td><td>The Board has adopted a set of guiding principles when it considers adjustments to performance outcomes under the LTI. The process for adjustments and principles applied are outlined below:

1. Nature and timing of adjustments – adjustments, both positive and negative, will only be made to the performance/reward outcome (rather than the target) at the time of vesting.

2. Transparency – the Company will provide a clear rationale and disclosure, for any adjustments made (for example, providing a reconciliation to statutory results), especially in cases where, prima facie, performance has not been achieved. Where possible, advance disclosure of events that may give rise to adjustments will be disclosed to ensure early communication to shareholders.

3. Material or significant events – adjustments will only be made for events or items over the vesting period that have a material impact on the outcome. Adjustments will also only be made where it has an impact on the result of the award. Where possible, the item will be referenced back to the assumptions used in the business plan from which the target was set, to determine whether there has been a material deviation in the assumptions used and whether this was outside of management’s control. For example, if there has been a change to accounting policies resulting in the EPS and/or ROIC targets being determined in a different way to how the outcome is determined at the time of vesting.

4. Balance interests of shareholders and management – adjustments will be made to balance the interests of shareholders and management, for example, if shareholders are experiencing poor results, then management should share in the burden, and vice versa (unless there are compelling reasons for this not being the case, in which event, details will be provided).

5. Maintain plan integrity – adjustments will be carefully considered to ensure they maintain the plan’s integrity and purpose (i.e. to incentivise and reward management for undertaking transactions that deliver long-term sustainable shareholder value).

6. Exercising discretion consistently and fairly – the use of discretion will be applied consistently (both positively and negatively) and information used will be sufficiently objective and free from bias to ensure decisions are arrived at fairly.</td></tr>
</table>

3.5 EXECUTIVE SERVICE RIGHTS GRANT

In July 2023, the Board approved a once-off grant of service rights to each member of the Group Leadership Team, including Executive KMP. This offer was made to facilitate retention of the Group Leadership Team throughout the next three years as the Company continues with its remediation efforts. The key terms of this once-off grant are summarised in Table 4 below.

TABLE 4: KEY DESIGN FEATURES OF THE ONCE-OFF GRANT OF SERVICE RIGHTS

Purpose	Once-off Grant of Service Rights to retain senior executives as the business focuses on remediation and returning to suitability.		
Type of Equity Award	Each Service Right is a right to receive one fully paid ordinary share in the Company on a one-to-one basis, subject to the satisfaction of the Vesting Condition.		
Effective Start Date	1 July 2023 or commencement date for new KMP.		
Determination for the number of service rights	The number of Service Rights granted is calculated with reference to the following formula: **90% of Individual Fixed Remuneration as at the date of grant** ÷ **Face Value of share on the Effective Grant Date** Face Value of a Share is equal to the Volume Weighted Average Price (**VWAP**) of the Company's Shares traded on the ASX on the 10 trading days commencing on the day following the announcement of The Star's full year results (29 August 2023) until 12 September 2023, or the closing share price on the day of commencement for new KMP.		
Dividend and Voting Rights	Service Rights do not attract dividends until shares have been allocated following vesting. Participants will receive any dividends which accrued during the plan period once the vesting conditions have been met. No voting rights until vesting of Service Rights.		
Vesting dates	Tranche 1 20% of Award Vests 30 June 2024	Tranche 2 30% of Award Vests 30 June 2025	Tranche 3 50% of Award Vests 30 June 2026
Vesting Conditions	Service rights will vest subject to the participant meeting the continued service criteria, being that they must still be employed with the Company on the vesting date for each applicable tranche.		
Holding lock	Once the shares vest, they will be held as restricted shares for a further 12 months. The restriction will be lifted 12 months after the initial vesting date, subject to the participant still being employed with the Company.		
Change of control	In the event of a change in control (as determined by the board) • The Vesting Period for Service Rights will accelerate and all unvested Services Rights will vest; and • Any Holding Lock applied to shares allocated in satisfaction of vested Service Rights will be lifted.		
Lapsing of Service Rights	If the participant ceases employment prior to the Vesting Date, the treatment of unvested Service Rights will depend on the circumstances of cessation in accordance with the Employee Performance Plan Rules. Should circumstances come to light which the Board determines warrants the partial or full forfeiture of unvested Service Rights or Restricted Shares in the context of the application of the Company's Consequence Management Framework or the Plan Rules, some or all of unvested Service Rights and /or Restricted Shares may be forfeited.		

3.6 CONSEQUENCE MANAGEMENT FRAMEWORK

In FY24, a Consequence Management Framework was introduced to provide guidance on remuneration consequences for serious or egregious risk and/or misconduct incidents, including behaviours which contravene the Company's Purpose, Values and Principles (**PVP**). The Consequence Management Framework applies to all incentive programs offered by the Company.

The Consequence Management Framework is informed by inputs from the Group Risk, Internal Assurance and Employee Relations functions and is overseen by the Consequence Management Committee consisting of the Group CEO | MD, Group Chief Risk Officer and Group Chief People Officer. Remuneration outcomes determined by the Consequence Management Committee are provided to the Culture, People & Remuneration Committee of the Board for oversight and approval (where required under the policy).

Where a serious or egregious risk or misconduct issue is identified and raised to the Consequence Management Committee, variable remuneration will likely be impacted and in some cases, reduced to zero. In each case, judgment will be applied to determine the appropriate remuneration consequence given the circumstances of the incident.

There were no remuneration consequences applied to any of the Executive KMP for the FY24 period.

3.7 MINIMUM SHAREHOLDING POLICY

To support the alignment of the interests of the Board and executives with the interests of shareholders, the Group has a minimum shareholding policy in place.

The minimum shareholding policies for NEDs, Executive KMP and Other Executives are reviewed every two years to ensure that they remain suitable for the business, to align the interests of these individuals and with shareholders generally.

The Group CEO | MD is to progressively acquire over a three year period from the date of his commencement, a minimum number of shares equal to 150% of his fixed pay. Other Executive KMP are to accrue a minimum amount of shares equal to 100% of the base rate of pay upon commencement over the course of 5 years. Direct and indirect holdings in shares will count towards the minimum shareholding target. Unvested performance rights do not count towards minimum shareholding requirements.

All Executive KMP are on track to meet the minimum shareholding requirements in the required timeframes.

Table 5 shows the number of shares, options and performance rights held by Executive KMP at the beginning and end of the financial year unless otherwise stated.

TABLE 5: SHARES, OPTIONS AND RIGHTS HELD BY EXECUTIVE KMP AT 30 JUNE 2024

Name	Holding	Balance at start of the year[1]	Granted as compensation	Vested during the year[2]	Lapsed during the year	Balance at the end of the year[3]
Current Executive KMP						
Neale O'Connell	Performance Rights	–	–	–	–	–
	Ordinary Shares	–	–	–	–	–
	Restricted Shares	–	–	–	–	–
	Service Rights	–	–	–	–	–
	Premium Exercise Priced Options	–	–	–	–	–
Jeannie Mok	Performance Rights	–	–	–	–	–
	Ordinary Shares	–	–	–	–	–
	Restricted Shares	–	–	–	–	–
	Service Rights	–	–	–	–	–
	Premium Exercise Priced Options	–	–	–	–	–
Scott Saunders	Performance Rights	169,047	469,493	–	–	638,540
	Ordinary Shares	–	–	–	–	–
	Restricted Shares	–	145,920	–	–	145,920
	Service Rights	–	729,602	(145,920)	–	583,682
	Premium Exercise Priced Options	–	1,162,500	–	–	1,162,500
Janelle Campbell	Performance Rights	–	–	–	–	–
	Ordinary Shares	–	–	–	–	–
	Restricted Shares	–	283,333	–	–	283,333
	Service Rights	–	1,416,666	(283,333)	–	1,133,333
	Premium Exercise Priced Options	–	–	–	–	–

Name	Holding	Balance at start of the year[1]	Granted as compensation	Vested during the year[2]	Lapsed during the year	Balance at the end of the year[3]
Current Executive KMP						
Daniel Finch	Performance Rights	–	–	–	–	–
	Ordinary Shares	–	–	–	–	–
	Restricted Shares	–	208,928	–	–	208,928
	Service Rights	–	1,044,642	(208,928)	–	835,714
	Premium Exercise Priced Options	–	–	–	–	–
Former Executive KMP						
Robbie Cooke[4]	Performance Rights	1,162,053	969,277	–	(2,017,805)	113,525
	Ordinary Shares	–	–	–	–	–
	Restricted Shares	–	–	–	–	–
	Service Rights	–	1,506,276	–	(1,506,276)	–
	Premium Exercise Priced Options	–	2,400,000	–	(2,204,384)	195,616
Christina Katsibouba	Performance Rights	349,451	484,638	–	(834,089)	–
	Ordinary Shares	277	–	14,621	–	14,898
	Restricted Shares	14,621	–	(14,621)	–	–
	Service Rights	–	753,138	–	(753,138)	–
	Premium Exercise Priced Options	–	1,200,000	–	(1,200,000)	–
Jessica Mellor[5]	Performance Rights	331,000	363,479	–	(61,344)	633,135
	Ordinary Shares	34,579	–	2,030	–	36,609
	Restricted Shares	2,428	–	(2,030)	–	398
	Service Rights	–	564,853	–	(564,853)	–
	Premium Exercise Priced Options	–	900,000	–	–	900,000

[1] For KMP who commenced in the role during the year, the balance disclosed is from the date they commenced as a KMP.

[2] Restricted shares that are no longer subject to a holding lock are transferred into the ordinary shares category. Service rights for which the service period has been met are transferred to the restricted shares category and subject to a 12 month holding lock.

[3] For KMP who ceased their role during the year, the balance disclosed is until the date they ceased as a KMP.

[4] The balance at end of year for Performance Rights and Premium Exercise Priced Options is the portion of FY24 LTI remaining on foot and subject to performance hurdles being achieved as set out in table 3.

[5] Performance Rights and Premium Exercise Priced Options will lapse on termination date 15 September 2024.

04. EXECUTIVE REMUNERATION RECEIVED FY24

REMUNERATION OUTCOMES FOR EXECUTIVE KMP IN FY24

Table 6 provides a summary of total remuneration received by Executive KMP during the 2024 financial year. This non-IFRS information differs from the Statutory Remuneration in Table 15, which presents remuneration in accordance with accounting standards.

TABLE 6: FY24 EXECUTIVE REMUNERATION

Name	Fixed remuneration	STI	Other amounts paid	Service Rights Grant[4]	LTI vested during the year $	Total value of remuneration[5] $	LTI lapsed during the year[6]
Current Executive KMP							
Neale O'Connell	514,603	–	–	–	–	514,603	–
Jeannie Mok[1]	45,208	–	465,000	-	–	510,208	–
Scott Saunders[2]	775,000	–	266,666	71,501	–	1,113,167	–
Janelle Campbell	369,377	–	–	138,833	–	508,210	–
Daniel Finch[3]	239,881	–	250,000	102,375	–	592,256	–
Former Executive KMP							
Robbie Cooke[7]	3,524,036	–	1,600,000	–	–	5,124,036	(988,724)
Christina Katsibouba	800,000	–	–	–	–	800,000	(408,704)
Jessica Mellor	449,025	–	–	–	–	449,025	–
TOTAL	**6,717,130**	**–**	**2,581,666**	**312,709**	**–**	**9,611,505**	**(1,397,428)**

[1] Sign on bonus paid 27 June 2024.

[2] Retention cash bonus of $133,333 paid on 22 March 2024 and $133,333 paid on 14 June 2024.

[3] Sign on bonus upon receipt of regulatory approval , paid on 14 February 2024 and subject to 12 month clawback.

[4] Service rights grant awarded to all active Group Leadership Team Members, refer to section 3.5 for full details.

[5] Includes payments made after resignations were tendered, including any notice period and termination payments.

[6] Represents the award value (at the 30 June 2024 share price) of the FY20 performance rights that lapsed/were foregone during the year due to resignations and/or the minimum hurdles required for vesting not being met.

[7] Fixed Remuneration is comprised of Total Employment Cost paid up to termination date ($1,168,613), a contractual annual leave entitlement of $168,735, a contractual payment in lieu of notice period ($1,600,000), $288,000 cash equivalent in lieu of FY24 executive service rights and $298,688 cash payment in lieu of the FY23 LTI. Other amounts paid represents the cash payment of the One Off Performance Rights as approved by shareholders at the 2022 AGM.

05. VARIABLE REWARD OUTCOMES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

5.1 STI OUTCOME FOR FY24

GROUP PERFORMANCE:

Under the Company's new STI design, as detailed in Table 2, awards for Executive KMP are generated by performance against four Company metrics, comprising 70% of the award, and individual performance comprising 30% of the award.

Details of the Company's targets and outcomes for FY24 are noted in Table 7 below.

TABLE 7: FY24 PERFORMANCE OUTCOMES AGAINST KEY PERFORMANCE INDICATORS FOR THE STI

STI Metric		Weighting	Target	Outcome	Outcome % of Target	Weighted Outcome %
EBITDA – Deliver Budgeted Group EBITDA		25%	$198.0m	$167.8m	85%	0%
Guest Satisfaction – Elevate the guest service culture and guest experience across all our properties		10%	103	102	99%	9.5%
Regulatory Compliance & Risk Management	– Total Reportable Injury Frequency Rate (TRIFR)	8.5%	16.1	16.0	100.6%	8.9%
	– Compliance Training Completion	10.75%	90%	96.3%	107%	14.5%
	– Remediation program of work[1]	10.75%	100%	92%	92%	6.45%
Engagement – Retain talented teams through a compelling Employee Value Proposition and highly engaged Team Member environment.		5%	7.5	7.2	96%	4%
Weighted Group STI Outcome						43.35%
Remediation Gateway[1]						NOT MET
Individual STI Component						30%
Final Group STI outcome (Board discretion applied)						0%

[1] Delivery of FY24 Remediation Program milestones, per the timings in the remediation plan, evidenced by closure memos approved by the Program Sponsors and the Board.

BOARD DISCRETION FOR FY24 STI OUTCOME

The Board reviewed the outcomes of the remediation program and determined that the remediation gateway was not met. Whilst 92% of milestones were delivered on time per the baseline plan requirements, it was determined that milestones completed during the period did not meet the expected standard of quality required to deliver adequate remediation outcomes. As a result, no STI pool was formed for any of the Company STI metrics.

Additionally, the Board utilised its discretion to reduce the individual component of the STI award to zero for all participants. This decision was made on the basis of the current uncertainty regarding the outcomes of the Bell Two inquiry, coupled with softer trading conditions and other financial pressures impacting the Company's financial position.

Table 8 details the variable remuneration of Executive KMP under the STI during the period.

TABLE 8: VARIABLE REMUNERATION UNDER THE STI FOR THE YEAR ENDED 30 JUNE 2024

Executive	Financial year	Cash Award $	Restricted Share Grant $	As a % of total remuneration	STI not achieved as a % of target[1]
Current Executive KMP					
Neale O'Connell	**2024**	**–**	**–**	**–**	**–**
	2023	–	–	–	–
Jeannie Mok	**2024**	**–**	**–**	**0%**	**100%**
	2023	–	–	–	–
Scott Saunders	**2024**	**–**	**–**	**0%**	**100%**
	2023	–	–	0%	100%
Janelle Campbell	**2024**	**–**	**–**	**0%**	**100%**
	2023	–	–	–	–
Daniel Finch	**2024**	**–**	**–**	**0%**	**100%**
	2023	–	–	–	–
Former Executive KMP					
Robbie Cooke	**2024**	**–**	**–**	**0%**	**100%**
	2023	–	–	0%	100%
Christina Katsibouba	**2024**	**–**	**–**	**0%**	**100%**
	2023	–	–	0%	100%
Jessica Mellor	**2024**	**–**	**–**	**0%**	**100%**
	2023	–	–	0%	100%
TOTAL FY24		**–**	**–**		
TOTAL FY23		**–**	**–**		

[1] Maximum opportunity is 150% of the executives' target incentive level.

Table 9 outlines the performance of the Group and shareholder returns over the last five financial years.

TABLE 9: STATUTORY KEY PERFORMANCE INDICATORS

Performance metric	FY20	FY21	FY22	FY23	FY24
Statutory NPAT	$(94.6)m	$57.9m	$(202.5)m	$(2,435.2)m	$(1,684.6)m
Basic EPS (statutory)	(10.3)c	6.1c	(21.3)c	(211.7)c	(66.8)c
Full year dividend (fully franked, cents per share)	10.5c	0.0c	0.0c	0.0c	0.0c
Share price at year end	$2.84	$3.69	$2.79	$1.16	$0.49
Increase/(decrease) in share price	(31%)	+30%	(24%)	(59%)	(58%)

5.2 VESTING UNDER THE LTI

Table 10 sets out the details of performance rights and premium exercise priced options issued under the Company's LTI plan over the last five financial years.

TABLE 10: DETAILS OF LTI AWARDS ACTIVE DURING THE YEAR

Detail	FY20 Award	FY21 Award	FY22 Award	FY23 Award	FY24 Performance Rights	FY24 Premium Exercise Priced Options
Effective Grant Date	25 Sep 2019	24 Sep 2020	23 Sep 2021	26 Sep 2022	3 Oct 2023	24 Nov 2023
Test date	25 Sep 2023	24 Sep 2024	23 Sep 2025	26 Sep 2026	3 Oct 2027	Any time up to expiry date of 24 Nov 2027
Vesting hurdle(s)	TSR, EPS & ROIC	TSR, EPS & ROIC	TSR, EPS & ROIC	TSR, EPS & ROIC	TSR	Return to Suitability
Test result	All rights lapsed	N/A	N/A	N/A	N/A	N/A

During FY24, the FY20 Award was tested and did not vest as performance hurdles were not met. The next test date will be in September 2024, for performance rights granted in FY21.

Performance rights relating to the FY20 award were tested in September 2023 and 100% lapsed. The TSR performance of the Group was -75.655% (excluding the value of franking credits), with a percentile ranking of 0%. As this was below the 50th percentile, none of the TSR component of the FY20 award vested. The EPS performance hurdle of -211.7 cents per share was below the threshold of 28.0 cents per share and target of 30.7 cents per share, and accordingly none of the EPS component of the FY20 award vested. The ROIC outcome of -76.3% was below the threshold of 7.4% and target of 9.0%, resulting in no vesting of performance rights for this component.

The FY21 award, tested on 24 September 2024, has EPS, TSR and ROIC performance hurdles each comprising one third of the award outcome. Details of the performance outcomes relative to target and threshold amounts will be provided to shareholders ahead of the 2024 AGM and reported in the FY25 Remuneration Report.

Table 11 summarises the unvested performance rights and options held by Executive KMP as at 30 June 2024.

TABLE 11: PERFORMANCE RIGHTS AND OPTIONS BY AWARD HELD BY EXECUTIVE KMP AT 30 JUNE 2024

Executive KMP		FY21 Award	FY22 Award	FY23 Award	FY24 Award	Total
Current Executive KMP						
Neale O'Connell	Performance rights	–	–	–	–	–
	Premium Exercise Priced Options	–	–	–	–	–
Jeannie Mok	Performance rights	–	–	–	–	–
	Premium Exercise Priced Options	–	–	–	–	–
Scott Saunders	Performance rights	–	–	169,047	469,493	638,540
	Premium Exercise Priced Options	–	–	–	1,162,500	1,162,500
Janelle Campbell	Performance rights	–	–	–	–	–
	Premium Exercise Priced Options	–	–	–	–	–
Daniel Finch	Performance rights	–	–	–	–	–
	Premium Exercise Priced Options	–	–	–	–	–
Former Executive KMP[1]						
Robbie Cooke[2]	Performance rights	–	–	–	113,525	113,525
	Premium Exercise Priced Options	–	–	–	195,616	195,616
Christina Katsibouba	Performance rights	–	–	–	–	–
	Premium Exercise Priced Options	–	–	–	–	–
Jessica Mellor[3]	Performance rights	84,218	72,013	113,425	363,479	633,135
	Premium Exercise Priced Options	–	–	–	900,000	900,000
Total performance rights		**84,218**	**72,013**	**282,472**	**946,497**	**1,385,200**
Total premium exercise priced options		**–**	**–**	**–**	**2,258,116**	**2,258,116**

[1] All performance rights under the LTI lapsed on termination, as per the performance plan rules, unless approved by the Board.

[2] FY24 LTI Rights and Options for Mr Cooke were pro-rated and remain on foot subject to achieving the applicable performance hurdles as set out in Table 3.

[3] Performance rights in FY21, FY22 and FY23 reflect those granted prior to her appointment as Chief Executive Officer, The Star Gold Coast. All Performance Rights and Options will lapse on her termination date of 15 September 2024.

Table 12 shows movements in the variable remuneration of Executive KMP under the LTI (Performance Rights) during the period. Details of the number of performance rights granted, vested or lapsed during the period are also provided as required under the Corporations Act and its regulations, including the relevant Australian Accounting Standard principles.

TABLE 12: VARIABLE REMUNERATION UNDER THE LTI (PERFORMANCE RIGHTS) FOR THE YEAR ENDED 30 JUNE 2024

Executive	Financial Year	Number of Performance Rights Granted	Fair Value of Performance Rights Granted	Fair Value at Grant Date	Effective Grant Date[1]	Test Date	As a % of total remuneration[2]	Number of Performance Rights Vested	Number of Performance Rights Lapsed[3]
Current Executive KMP									
Neale O'Connell	**2024**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	2023	–	–	–	–	–	–	–	–
Jeannie Mok	**2024**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	2023	–	–	–	–	–	–	–	–
Scott Saunders	**2024**	**469,493**	**122,068**	**0.26**	**3/10/2023**	**3/10/2027**	**3%**	**–**	**–**
	2023	169,047	393,316	2.33	26/09/2022	26/09/2026	2%	–	–
Janelle Campbell	**2024**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	2023	–	–	–	–	–	–	–	–
Daniel Finch	**2024**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	2023	–	–	–	–	–	–	–	–
Former Executive KMP									
Robbie Cooke	**2024**	**969,277**	**252,012**	**0.26**	**3/10/2023**	**3/10/2027**	**-2%**	**–**	**(2,017,805)**
	2023	581,670	1,353,352	2.33	26/09/2022	26/09/2026	7%	–	–
	2023	580,383	1,255,562	2.16	23/09/2022	23/09/2025	–	–	–
Christina Katsibouba	**2024**	**484,638**	**126,006**	**0.26**	**3/10/2023**	**3/10/2027**	**-2%**	**–**	**(834,089)**
	2023	174,501	406,006	2.33	26/09/2022	26/09/2026	2%	–	(20,145)
Jessica Mellor	**2024**	**363,479**	**94,505**	**0.26**	**3/10/2023**	**3/10/2027**	**-6%**	**–**	**–**
	2023	–	–	–	–	–	–	–	–
TOTAL FY24		**2,286,887**	**594,591**					**–**	**(2,851,894)**
TOTAL FY23[4]		**1,505,601**	**3,408,236**					**–**	**(20,145)**

[1] The Effective Grant Date is the date used to determine the VWAP and commencement of TSR performance hurdle measurement.

[2] Percentage calculation based on accounting LTI expense and total remuneration as reported in Table 16.

[3] Performance rights granted in FY20 were tested in September 2023 and 100% of the award lapsed. Performance rights granted in FY21 are due for testing in September 2024. All of Mr Cooke and Ms Katsibouba rights lapsed on their termination.

[4] The totals for FY23 of 1,505,601, 3,408,236 and (20,145) are different to the totals in the FY23 Remuneration Report of 1,850,967, 4,211,788 and (769,439) respectively as they do not include the FY23 Former Executive KMP Geoff Hogg and Scott Wharton.

Table 13 shows movements in the variable remuneration of Executive KMP under the LTI (Premium Exercise Priced Options) during the period. Details of the number of Options granted, vested or lapsed during the period are also provided as required under the Corporations Act and its regulations, including the relevant Australian Accounting Standard principles.

TABLE 13: VARIABLE REMUNERATION UNDER THE LTI (OPTIONS) FOR THE YEAR ENDED 30 JUNE 2024

Executive	Financial Year	Number of Premium Exercise Priced Options Granted	Fair Value of Premium Exercise Priced Options Granted	Fair Value at Grant Date	Effective Grant Date[1]	Premium Exercised Priced Options Expiry Date	As a % of total remuneration[2]	Number of Premium Exercised Priced Options Lapsed
Current Executive KMP								
Neale O'Connell	**2024**	–	–	–	–	–	–	–
Jeannie Mok	**2024**	–	–	–	–	–	–	–
Scott Saunders	**2024**	**1,162,500**	**46,500**	**0.04**	24/11/2023	24/11/2027	**1%**	–
Janelle Campell	**2024**	–	–	–	–	–	–	–
Daniel Finch	**2024**	–	–	–	–	–	–	–
Former Executive KMP								
Robbie Cooke	**2024**	**2,400,000**	**96,000**	**0.04**	24/11/2023	24/11/2027	**0%**	**(2,204,384)**
Christina Katsibouba	**2024**	**1,200,000**	**48,000**	**0.04**	24/11/2023	24/11/2027	**0%**	**(1,200,000)**
Jessica Mellor	**2024**	**900,000**	**36,000**	**0.04**	24/11/2023	24/11/2027	**0%**	–
TOTAL FY24		**5,662,500**	**226,500**				–	**(3,404,384)**

[1] The Effective Grant Date is the date used to determine the VWAP and commencement of Premium Exercise performance hurdle measurement.
[2] Percentage calculation based on accounting LTI expense and total remuneration as reported in Table 16.

5.3 SERVICE AWARDS GRANTED IN FY24

Table 14 details the number of service rights granted to Executive KMP in FY24.

TABLE 14: SERVICE RIGHTS AWARD GRANTED FY24

Executive	Financial Year	Number of Service Rights Granted	Fair Value of Service Rights Granted	Fair Value at Grant Date	Effective Grant Date[1]	Test Date	As a % of total remuneration[2]	Number Service Rights Vested	Number of Service Rights Lapsed
Current Executive KMP									
Neale O'Connell	**2024**	–	–	–	–	–	–	–	–
Jeannie Mok	**2024**	–	–	–	–	–	–	–	–
Scott Saunders	**2024**	**729,602**	**335,617**	**0.46**	1/07/2023	30/06/2024 30/06/2025 30/06/2026	**9%**	**145,920**	–
Janelle Campell	**2024**	**1,416,666**	**651,666**	**0.46**	25/01/2024	30/06/2024 30/06/2025 30/06/2026	**36%**	**283,333**	–
Daniel Finch	**2024**	**1,044,642**	**480,535**	**0.46**	19/02/2024	30/06/2024 30/06/2025 30/06/2026	**25%**	**208,928**	–
Former Executive KMP									
Robbie Cooke	**2024**	**1,506,276**	**692,887**	**0.46**	1/07/2023	30/06/2024 30/06/2025 30/06/2026	–	–	**(1,506,276)**
Christina Katsibouba	**2024**	**753,138**	**346,443**	**0.46**	1/07/2023	30/06/2024 30/06/2025 30/06/2026	**0%**	–	**(753,138)**
Jessica Mellor	**2024**	**564,853**	**259,832**	**0.46**	1/07/2023	30/06/2024 30/06/2025 30/06/2026	**0%**	–	**(564,853)**
TOTAL FY24		**6,015,177**	**2,766,980**				–	**638,181**	**(2,824,267)**

[1] The Effective Start Date is 1 July 2023 or the commencement date for new KMP.
[2] Percentage calculation based on accounting LTI expense and total remuneration as reported in Table 16.

06. EXECUTIVE KMP CONTRACTS AND REMUNERATION

Remuneration arrangements for Executive KMP are reviewed annually by the Board. Table 15 outlines the remuneration arrangements for Executive KMP in FY24 and their contracted employment details.

TABLE 15: EXECUTIVE KMP REMUNERATION AND EMPLOYMENT CONTRACTS

CURRENT EXECUTIVE KMP	**Neale O'Connell** Acting CEO | Interim Group Chief Financial Officer		**Jeannie Mok** Group Chief Operating Officer (subject to regulatory approval)		**Scott Saunders** Group Chief Risk Officer		**Janelle Campbell** Chief Executive Officer, The Star Sydney		**Daniel Finch** Chief Executive Officer, The Star Brisbane	
	FY23	**FY24**	FY23	**FY24**	FY23	**FY24**	FY23	**FY24**	FY23	**FY24**
Fixed remuneration[1]	N/A	**$850,000**	N/A	**$775,000**	$775,000	**$775,000**	N/A	**$850,000**	N/A	**$650,000**
Short-term incentive target	N/A	**$–**	N/A	**$465,000**	$465,000	**$465,000**	N/A	**$510,000**	N/A	**$390,000**
Long-term incentive (annual award value)	N/A	**$–**	N/A	**$465,000**	$465,000	**$465,000**	N/A	**$510,000**	N/A	**$390,000**
Total Target Annual Reward	N/A	**$850,000**	N/A	**$1,705,000**	$1,705,000	**$1,705,000**	N/A	**$1,870,000**	N/A	**$1,430,000**
Short-term incentive maximum value	N/A	**$–**	N/A	**$697,500**	$697,500	**$697,500**	N/A	**$765,000**	N/A	**$585,000**
Long-term incentive maximum value	N/A	**$–**	N/A	**$465,000**	$465,000	**$465,000**	N/A	**$510,000**	N/A	**$390,000**
Additional Items[2]	N/A	**$125,000 per month**	N/A	**$–**	N/A		N/A	**$–**	N/A	**$–**
Non-monetary benefits	N/A		N/A		6 months		N/A		N/A	
Notice by the Executive	3 months		6 months		6 months		12 months		12 months	
Notice by the Group	3 months		6 months		12 months		12 months		12 months	
Restraint[3]	12 months		12 months		12 months		12 months		12 months	
Non solicitation	12 months		12 months		Open ended		12 months		12 months	
Contract duration	Maximum Term ending 28 March 2025		Open ended				Open ended		Open ended	

FORMER EXECUTIVE KMP	**Robbie Cooke** Group CEO | MD		**Christina Katsibouba** Group Chief Financial Officer		**Jessica Mellor** Chief Executive Officer, The Star Gold Coast	
	FY23	**FY24**	FY23	**FY24**	FY23	**FY24**
Fixed remuneration[1]	$1,600,000	**$1,600,000**	$800,000	**$800,000**	$520,000	**$650,000**
Short-term incentive target	$960,000	**$960,000**	$480,000	**$480,000**	$260,000	**$390,000**
Long-term incentive (annual award value)	$1,600,000	**$1,600,000**	$480,000	**$480,000**	$312,000	**$390,000**
Total Target Annual Reward	$4,160,000	**$4,160,000**	$1,760,000	**$1,760,000**	$1,092,000	**$1,430,000**
Short-term incentive maximum value	$1,440,000	**$1,440,000**	$720,000	**$720,000**	$390,000	**$585,000**
Long-term incentive maximum value	$1,600,000	**$1,600,000**	$480,000	**$480,000**	$312,000	**$390,000**
Additional Items	N/A		N/A		N/A	
Non-monetary benefits	N/A		N/A		N/A	
Notice by the Executive	12 months		9 months		12 months	
Notice by the Group	12months		9 months		12months	
Restraint[3]	12 months		12 months		12 months	
Non solicitation	12 months		12 months		12 months	
Contract duration	Open ended		Open ended		Open ended	

INCOMING EXECUTIVE KMP	**Steve McCann** Group CEO | MD (subject to regulatory approval)
	FY25
Fixed remuneration[1]	**$2,500,000**
Short-term incentive target	**$2,500,000**
Long-term incentive (annual award value)	**$2,500,000**
Total Target Annual Reward	**$7,500,000**
Short-term incentive maximum value	**$2,500,000**
Long-term incentive maximum value	**$2,500,000**
Additional Items[4]	**$2,500,000**
Non-monetary benefits	Access to car parking and accommodation at The Star Sydney
Notice by the Executive	12 months
Notice by the Group	12 months
Restraint[3]	12 months
Non solicitation	12 months
Contract duration	Open ended

[1] The Star Entertainment Group deducts superannuation from the Executives' fixed remuneration as per the Australian Taxation Office Superannuation Guarantee Cap.

[2] Mr O'Connell receives an $125,000 a month payment in addition to his salary to compensate him for not being invited into the Company's STI and LTI plans. He also receives a higher duties payment of $40,000 per month for his Acting CEO role, which will cease once Mr McCann receives regulatory approval to commence in his role of Group CEO | MD.

[3] Exclusion from being engaged in any business or activity in Australia which competes with or is substantially similar to the business of The Star Entertainment Group.

[4] Sign-on cash bonus of $2,500,000 paid on commencement in lieu of participation in the Company's FY25 Long Term Incentive Plan.

07. STATUTORY EXECUTIVE KMP REMUNERATION

Table 16 sets out Executive KMP remuneration as required by the Corporations Act and its regulations, including the relevant Australian Accounting Standard principles.

TABLE 16: STATUTORY EXECUTIVE KMP REMUNERATION

Executive	Financial year	Short-term			Long-term	Post-Employment	Charge for share based allocations			Termination payments[6]	Total remuneration	Performance related
		Salary[1] $	Other amounts paid $	Non-monetary benefits[2] $	Long service leave $	Superannuation[3] $	Performance rights and Premium Exercise Priced Options[4] $	Restricted shares[5] $	Service rights[7]	$	$	%
Current Executive KMP												
Neale O'Connell	**2024**	**526,775**	**–**	**838**	**317**	**6,850**	**–**	**–**	**–**	**–**	**534,780**	**0%**
	2023	–	–	–	–	–	–	–	–	–	–	–
Jeannie Mok	**2024**	**44,268**	**–**	**229**	**59**	**–**	**–**	**–**	**–**	**–**	**44,556**	**–**
	2023	–	–	–	–	–	–	–	–	–	–	–
Scott Saunders	**2024**	**761,134**	**266,666**	**4,354**	**1,960**	**27,399**	**46,467**	**–**	**116,056**	**–**	**1,224,036**	**13%**
	2023	683,249	–	1,079	393	12,646	11,270	–	–	–	708,637	2%
Janelle Campbell	**2024**	**386,263**	**–**	**1,871**	**511**	**13,699**	**–**	**–**	**225,346**	**–**	**627,690**	**36%**
	2023	–	–	–	–	–	–	–	–	–	–	–
Daniel Finch	**2024**	**245,914**	**250,000**	**1,875**	**330**	**13,699**	**–**	**–**	**166,169**	**–**	**677,987**	**25%**
	2023	–	–	–	–	–	–	–	–	–	–	–
Former Executive KMP												
Robbie Cooke	**2024**	**1,230,039**	**1,600,000**	**4,123**	**(1,511)**	**20,549**	**(92,252)**	**–**	**–**	**2,186,688**	**4,947,636**	**-2%**
	2023	1,204,298	–	3,478	1,511	18,969	92,252	–	–	–	1,320,508	7%
Christina Katsibouba	**2024**	**572,030**	**–**	**6,354**	**(73,922)**	**20,549**	**(71,239)**	**–**	**–**	**752,454**	**1,206,226**	**-6%**
	2023	816,665	–	3,861	15,276	25,292	18,202	–	–	–	879,296	2%
Jessica Mellor	**2024**	**357,265**	**–**	**5,682**	**(13,095)**	**18,597**	**(70,509)**	**–**	**–**	**885,263**	**1,183,203**	**-6%**
	2023	–	–	–	–	–	–	–	–	–	–	–
TOTAL FY24		**4,123,688**	**2,116,666**	**25,326**	**(85,351)**	**121,342**	**(187,533)**	**–**	**507,571**	**3,824,405**	**10,446,114**	**–**
TOTAL FY23[8]		**2,704,212**	**–**	**8,418**	**17,180**	**56,907**	**121,724**	**–**	**–**	**–**	**2,908,441**	**–**

[1] Comprises salary, salary sacrificed benefits (including motor vehicle novated leases) and annual leave expense.

[2] Comprises car parking, accommodation, airfares and travel costs where applicable. These amounts are non-contractual.

[3] Comprises superannuation contributions per Superannuation Guarantee legislation and salary sacrificed superannuation.

[4] Represents the fair value of share based payments expensed / (credited) by The Star Entertainment Group in relation to LTI awards. Credits in FY24 are due to the forfeitures of rights on termination.

[5] Represents the fair value of share based payments expensed by The Star Entertainment Group in relation to STI awards. The expense is recognised over a 26 month holding lock period.

[6] Termination payments include salary, annual leave, long service leave and other on costs expected to be incurred between the executive's resignation date and expected termination date. The termination expense for Robbie Cooke includes payment in lieu of his contractual notice period.

[7] Service rights are new for FY24 and vests in 3 tranches. Holding lock period is 12 months after the vesting date.

[8] The total for FY23 of 2,908,441 is different to the total in the FY23 Remuneration Report of 4,570,866 as it does not include Former executive KMPs Geoff Hogg (924,994) and Scott Wharton (737,431).

08. NED REMUNERATION

8.1 REMUNERATION POLICY FOR NEDS

- NEDs (excluding the Chairman) receive a Board fee and a Committee fee for their participation as Chair or member of each Committee.
- The Chairman receives an all-inclusive fee as Chairman of the Board and as an ex-officio member of all Board Committees.
- NEDs do not receive any performance or incentive payments and are not eligible to participate in any of the Group's remuneration programs. This policy aligns with the principle that NEDs act independently and impartially.
- Board fees are not paid to the Group CEO | MD. Executive KMPs do not receive fees for directorships of any subsidiaries.
- NEDs do not receive fees for participation on the Nominations Committee or any of the Company's other subsidiary Boards.

8.2 FY24 NED FEES

The aggregate fees payable to NEDs for their services as directors are limited to the maximum annual amount approved by shareholders, currently set at $2,500,000 including superannuation contributions.

There was no change to Committee fees in FY24 and there will be no changes to NED or Committee fees for FY25.

Table 17 sets out the annual Board and Committee fee structure for FY24.

TABLE 17: ANNUAL NED FEES (INCLUSIVE OF SUPERANNUATION)

	Board	Audit	Risk & Compliance	Culture, People & Remuneration	Safer Gaming, Governance and Ethics	Compliance Committees[1]
Chair	$501,458	$35,000	$35,000	$35,000	$35,000	$35,000
Member	$168,912	$17,500	$17,500	$17,500	$17,500	$17,500

[1] Compliance Committees are standing committees of The Star Entertainment Group Limited Board which have been established for each of The Star Pty Limited (effective 30 March 2023), The Star Entertainment QLD Limited and The Star Entertainment QLD Custodian Pty Limited (both effective 1 April 2023). The Compliance Committees provide independent oversight of the respective subsidiary's compliance with its obligations under regulatory statues applicable to the operation of a casino in New South Wales and Queensland respectively, both Commonwealth and State.

Individuals invited to join the Board prior to receipt of all required regulatory approvals are not immediately appointed as NEDs. They are observers until such time as they are appointed to the Board ("Board Observers"). Board Observers receive the equivalent of directors' fees and committee fees as determined by the Board.

Table 18 sets out total remuneration received by each NED.

TABLE 18: NED REMUNERATION[1]

NED	Financial year	Board and Committee Fees $[2]	Executive Salary $	Superannuation[3] $	Total $
Current Non-Executive Directors					
Anne Ward[4]	**2024**	**301,870**	**–**	**24,607**	**326,477**
	2023	126,710	–	13,305	140,015
Deborah Page AM	**2024**	**215,236**	**–**	**23,676**	**238,912**
	2023	62,200	–	6,531	68,731
Michael Issenberg	**2024**	**215,236**	**–**	**23,676**	**238,912**
	2023	203,883	–	22,519	226,402
Toni Thornton	**2024**	**152,459**	**–**	**16,770**	**169,229**
	2023	–	–	–	–
Peter Hodgson	**2024**	**60,990**	**–**	**6,709**	**67,699**
	2023	–	–	–	–
Former Non-Executive Directors					
David Foster[5]	**2024**	**463,612**	**121,429**	**27,399**	**612,440**
	2023	172,524	–	12,816	185,340
TOTAL FY24	**2024**	**1,409,403**	**121,429**	**122,837**	**1,653,669**
TOTAL FY23[6]	2023	565,317		55,171	620,488

[1] The Group agrees to indemnify directors and officers against any liabilities incurred in the course of their duties

[2] Fees paid to Directors from the time they receive regulatory approval. Observer fees are not included.

[3] Comprises superannuation contributions per Superannuation Guarantee legislation and salary sacrificed superannuation.

[4] From her appointment to Chairman on April 29 2024, Ms Ward was given an increased duties fee of $20,000 per month to assume additional responsibilities until Steve McCann receives all necessary regulatory approvals.

[5] Upon the resignation of Group CEO | MD Robbie Cooke on 22 March 2024, David Foster assumed the role of Executive Chairman until Anne Ward was appointed Chairman on 29 April 2024. Mr Foster remained with the Company as Executive Director until his employment ceased on 21 June 2024.

[6] Total for FY23 of 620,488 is different to the total in the FY23 Remuneration report of 1,268,314 as it does not include FY23 former non-executive directors Gerard Bradley (73,804), Katie Lahey AM (110,706), Richard Sheppard (87,223) and Ben Heap (376,093).

8.3 MINIMUM SHAREHOLDING POLICY FOR NEDS

To support the alignment of the interests of the Board and executives with the interests of shareholders, the Group has a minimum shareholding policy in place. NEDs are required to progressively acquire shares over a three year period from the date of commencement of their unconditional appointment. NEDs are to hold shares of equal value to their respective annual base fee applicable at the time of their unconditional appointment. Direct and indirect holdings will count towards the minimum shareholding target.

All NEDs are on track to meet their minimum shareholding requirements in the required timeframes.

TABLE 19: SHARES HELD BY NEDS AT 30 JUNE 2024

Name	Balance at start of the year[1]	Number acquired	Number divested	Balance at the end of the year[2]
Current Non-Executive Directors				
Anne Ward	–	100,000	–	100,000
Deborah Page AM	35,500	21,516	–	57,016
Michael Issenberg	20,000	12,122	–	32,122
Toni Thornton	–	170,000	–	170,000
Peter Hodgson	–	95,000	–	95,000
Former Non-Executive Directors				
David Foster	13,948	76,152	–	90,100
Total ordinary shares	**69,448**	**474,790**	–	**544,238**

[1] For NEDs who commenced their role during the year, the balance disclosed is from the date they commenced as a NED.

[2] For NEDs who ceased their role during the year, the balance disclosed is to the date they ceased as a NED.

09. OTHER INFORMATION

9.1. LOANS AND OTHER TRANSACTIONS WITH KMP

There have been no loans or other transactions with KMP during the year.

THE STAR ENTERTAINMENT GROUP

The Star Entertainment Group Limited

A.C.N. 149 629 023

ASX Code: SGR

and its controlled entities

Financial Report

for the year ended 30 June 2024

THE STAR ENTERTAINMENT GROUP

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 $m	2023 $m
Revenue	A2	1,677.8	1,867.5
Other income	A3	2.7	1.0
Government taxes and levies	A3	(412.1)	(456.1)
Employment costs	A3	(723.6)	(737.0)
Depreciation, amortisation and impairment	A4	(1,559.2)	(2,363.1)
Cost of sales		(86.3)	(95.5)
Property costs		(72.6)	(72.2)
Advertising and promotions		(49.5)	(68.8)
Regulatory and legal costs	B7	(100.0)	(594.8)
Other expenses		(169.6)	(139.4)
Share of net profit of associate and joint venture entities accounted for using the equity method	D5	19.7	5.4
Loss before interest and income tax (LBIT)		(1,472.7)	(2,653.0)
Net finance costs	A5	(59.0)	(110.0)
Loss before income tax (LBT)		(1,531.7)	(2,763.0)
Income tax (expense)/benefit	F2	(152.9)	327.8
Net loss after tax (NLAT)		(1,684.6)	(2,435.2)
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss			
Change in fair value of cash flow hedges taken to equity, net of tax	F1	5.8	(6.5)
Total comprehensive loss for the period		(1,678.8)	(2,441.7)
Loss per share:			
Basic loss per share	F3	(66.8) cents	(211.7) cents
Diluted loss per share	F3	(66.8) cents	(211.7) cents

The above consolidated income statement should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 $m	2023 $m
ASSETS			
Cash and cash equivalents	B1	299.6	88.7
Trade and other receivables	B2	31.5	20.8
Inventories		13.6	14.9
Income tax receivable	F2	56.0	30.8
Derivative financial instruments	B3	-	2.6
Other assets	F4	87.4	93.7
Total current assets		488.1	251.5
Property, plant and equipment	B4	1,157.4	1,752.3
Intangible assets	B5	72.6	332.8
Derivative financial instruments	B3	-	37.4
Investment in associate and joint venture entities	D5	161.7	669.2
Deferred tax assets	F2	-	190.4
Other assets	F4	18.0	26.7
Total non current assets		1,409.7	3,008.8
TOTAL ASSETS		1,897.8	3,260.3
LIABILITIES			
Trade and other payables	F5	180.4	184.9
Interest bearing liabilities	B8	6.1	6.0
Provisions	B7	490.2	505.7
Derivative financial instruments	B3	-	3.8
Other liabilities	F6	75.2	18.6
Total current liabilities		751.9	719.0
Interest bearing liabilities	B8	295.7	751.2
Provisions	B7	8.1	8.0
Other liabilities	F6	8.8	11.1
Total non current liabilities		312.6	770.3
TOTAL LIABILITIES		1,064.5	1,489.3
NET ASSETS		833.3	1,771.0
EQUITY			
Share capital	F7	4,695.7	3,955.6
Accumulated losses		(3,872.0)	(2,187.4)
Reserves	F7	9.6	2.8
TOTAL EQUITY		833.3	1,771.0

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

THE STAR ENTERTAINMENT GROUP

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 $m	2023 $m
Cash flows from operating activities			
Net cash receipts from customers (inclusive of GST)		1,768.0	1,986.6
Payments to suppliers and employees (inclusive of GST)		(1,208.8)	(1,277.5)
Payment of government levies, gaming taxes and GST		(413.2)	(461.7)
Interest received		9.0	0.8
Income taxes received/(paid)	F2	14.6	(20.0)
Regulatory, fines, penalties, duty, consultant, legal and other costs		(123.6)	(184.4)
Net cash inflow from operating activities	F8	46.0	43.8
Cash flows from investing activities			
Payments for property, plant, equipment and intangibles		(76.3)	(135.3)
Proceeds from sale of plant and equipment		0.3	0.5
Loans from joint venture entities		55.9	-
Payments for investment in associate and joint venture entities		(75.2)	(19.5)
Loans to joint venture entities		(22.7)	(6.3)
Distributions received from joint venture entities		8.9	25.4
Repayments of loans from joint venture entities		14.3	-
Net cash outflow from investing activities		(94.8)	(135.2)
Cash flows from financing activities			
Proceeds from interest bearing liabilities	E2	318.0	228.0
Repayment of interest bearing liabilities	E2	(752.2)	(831.1)
Proceeds from settlement of derivative financial instruments	E2	49.7	20.5
Finance costs		(82.4)	(81.8)
Purchase of treasury shares	F7	-	(6.4)
Proceeds from issue of shares	F7	734.5	778.5
Interest payment of lease liabilities	E2	(2.9)	(3.1)
Principal payment of lease liabilities	E2	(5.0)	(6.5)
Net cash inflow from financing activities		259.7	98.1
Net increase in cash and cash equivalents		210.9	6.7
Cash and cash equivalents at beginning of the year		88.7	82.0
Cash and cash equivalents at end of the year	B1	299.6	88.7

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

	Note	Ordinary shares $m	Treasury shares $m	Retained earnings $m	Hedging reserve $m	Cost of hedging reserve $m	Share based payment reserve $m	Total $m
2024								
Balance at 1 July 2023		3,962.9	(7.3)	(2,187.4)	(8.2)	2.4	8.6	1,771.0
Loss for the year		-	-	(1,684.6)	-	-	-	(1,684.6)
Other comprehensive income	F1	-	-	-	8.2	(2.4)	-	5.8
Total comprehensive loss		-	-	(1,684.6)	8.2	(2.4)	-	(1,678.8)
Issue of share capital (net of tax)	F7	739.2	-	-	-	-	-	739.2
Shares issued to settle employee share programs	F7	-	0.9	-	-	-	-	0.9
Employee share based payments	F9	-	-	-	-	-	1.0	1.0
Balance at 30 June 2024		4,702.1	(6.4)	(3,872.0)	-	-	9.6	833.3
2023								
Balance at 1 July 2022		3,177.9	(6.9)	247.8	(1.9)	2.6	10.8	3,430.3
Loss for the year		-	-	(2,435.2)	-	-	-	(2,435.2)
Other comprehensive income	F1	-	-	-	(6.3)	(0.2)	-	(6.5)
Total comprehensive loss		-	-	(2,435.2)	(6.3)	(0.2)	-	(2,441.7)
Issue of share capital (net of tax)	F7	785.0	-	-	-	-	-	785.0
Shares purchased for future employee share programs	F7	-	(6.4)	-	-	-	-	(6.4)
Shares issued to settle employee share programs	F7	-	6.0	-	-	-	-	6.0
Employee share based payments	F9	-	-	-	-	-	(2.2)	(2.2)
Balance at 30 June 2023		3,962.9	(7.3)	(2,187.4)	(8.2)	2.4	8.6	1,771.0

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

Refer to the Operating and Financial Review (*OFR*) within the Directors' Report for details of the key transactions during the year.

CONTENTS

A KEY INCOME STATEMENT DISCLOSURES

A1 SEGMENT INFORMATION

The Group's operating segments have been determined based on the internal management reporting structure and the nature of products and services provided by the Group. They reflect the business level at which financial information is provided to those in the roles of executive decision makers, being the Acting Chief Executive Officer and the Interim Chief Financial Officer, for decision making regarding resource allocation and performance assessment.

The Group has three reportable segments:

Sydney	Comprises The Star Sydney's casino operations, including hotels, restaurants, bars and other entertainment facilities.
Gold Coast	Comprises The Star Gold Coast's casino operations, including hotels, theatre, restaurants, bars and other entertainment facilities.
Brisbane	Comprises Treasury Brisbane's casino operations, including hotel, restaurants and bars.

2024	Sydney $m	Gold Coast $m	Brisbane $m	Total $m
Gross revenues - domestic	877.5	456.1	344.2	1,677.8
Segment revenue	**877.5**	**456.1**	**344.2**	**1,677.8**
Segment earnings before interest, tax, depreciation, amortisation and significant items	**51.8**	**71.3**	**51.6**	**174.7**
Depreciation and amortisation (refer to note A4)	**64.2**	**36.2**	**20.2**	**120.6**
Capital expenditure	**41.6**	**24.6**	**10.1**	**76.3**
2023				
Gross revenues - domestic [a]	984.0	508.9	374.6	1,867.5
Segment revenue	984.0	508.9	374.6	1,867.5
Segment earnings before interest, tax, depreciation, amortisation and significant items	127.2	107.0	83.2	317.4
Depreciation and amortisation (refer to note A4)	109.0	60.6	25.7	195.3
Capital expenditure	85.4	37.6	12.9	135.9

a Total gross revenue is presented as the gross gaming win before player rebates and promotional allowances of nil (2023: nil).

	2024 $m	2023 $m
Reconciliation of reportable segment profit to profit before income tax		
Segment earnings before interest, tax, depreciation, amortisation and significant items	174.7	317.4
Depreciation and amortisation (refer to note A4)	(120.6)	(195.3)
Significant items (refer to note A7)	(1,547.3)	(2,824.8)
Unallocated items:		
- net finance costs [a] (refer to note A5)	(35.3)	(56.5)
- share of net loss of associate and joint venture entities accounted for using the equity method [a] (refer to note D5)	(3.2)	(3.8)
Loss before income tax (LBT)	(1,531.7)	(2,763.0)

[a] These items are before significant items (refer to note A7).

A2 REVENUE

	2024 $m	2023 $m
Gaming	1,111.2	1,260.0
Non-gaming	554.7	596.2
Other	11.9	11.3
Total revenue	1,677.8	1,867.5

Revenue
Revenue is recognised when the Group satisfies its obligations in relation to the provision of goods and services to its customers in the ordinary course of business. Revenue is measured at an amount that reflects the consideration to which the Group expects to be entitled in exchange for performing these obligations, including any discounts, rebates, price concessions, incentives or performance bonuses. Revenue is constrained such that the significant reversal of revenue in a future period is not highly probable. Revenue comprises net gaming win, less player and gaming promoter rebates and promotional allowances, as well as other non-gaming revenue from hotels, restaurants and bars.

Customer loyalty programs
The Group operates customer loyalty programs enabling customers to accumulate award credits for on-property spend. A portion of the spend, equal to the fair value of the award credits earned and reduced for expected breakage, is treated as deferred revenue (refer to note F6). Revenue from the award credits is recognised in the income statement when the award is redeemed or expires. The standalone selling price of complimentary services (including hotel room nights, food and beverage, and other services) that are provided to casino guests as incentives related to gaming play are recorded as revenues related to the respective goods or services, as they are provided to the patron. The residual amount is recorded as gaming revenue.

A3 OTHER INCOME AND EXPENSES

Loss before income tax is stated after charging the following expenses and significant items:

	2024 $m	2023 $m
Other income		
Gain on disposal of assets	0.9	0.8
Net foreign exchange gain	0.4	0.2
Other	1.4	-
	2.7	1.0
Government taxes and levies (including gaming GST):		
New South Wales	247.2	271.3
Queensland	164.9	184.8
	412.1	456.1
Employment costs:		
Salaries, wages, bonuses, redundancies and other benefits	663.3	677.1
Defined contribution plan expense (superannuation guarantee charges)	58.7	57.3
Share based payment expense (refer to note F9)	1.6	2.6
	723.6	737.0

A4 DEPRECIATION, AMORTISATION AND IMPAIRMENT

	2024 $m	2023 $m
Property, plant and equipment (refer to note B4)	101.6	161.0
Intangible assets (refer to note B5)	18.1	33.3
Other	0.9	1.0
Total depreciation and amortisation	120.6	195.3
Impairment - Property, plant and equipment (refer to note B6)	539.0	817.9
Impairment - Goodwill (refer to note B6)	128.8	1,150.9
Impairment - Intangible assets (refer to note B6)	143.2	184.3
Impairment - Investment in associates (refer to note B6)	602.2	-
Impairment - Other non-current assets (refer to note B6)	16.9	14.7
Impairment - Other	8.5	-
Total impairment (refer to note A7)	1,438.6	2,167.8
Total depreciation, amortisation and impairment	1,559.2	2,363.1

Depreciation is calculated using a straight line method. The useful lives over which the assets are depreciated are as follows (for further details of the useful lives of intangible assets refer to note B5):

Freehold and leasehold buildings	10 - 95 years
Leasehold improvements	4 - 75 years
Plant and equipment	5 - 20 years
Software	3 - 10 years
Licences	Until expiry

Operating equipment (which includes uniforms, casino chips, kitchen utensils, crockery, cutlery and linen) is recognised as a depreciation expense based on usage. The period of usage depends on the nature of the operating equipment.

Right of use assets, which includes plant, equipment and property, is depreciated on a straight line basis over the shorter of its estimated useful life and the lease term. The Group's lease portfolio includes assets with lease terms between 1 and 75 years. The residual values and useful lives are reviewed annually, and adjusted if appropriate, at each financial reporting date.

A5 NET FINANCE COSTS

	2024 $m	2023 $m
Interest paid on borrowings	25.5	43.4
Borrowing costs	15.8	18.3
Debt modification	-	30.0
Derivative settlement costs and debt termination fees	23.7	15.6
Fair value hedging adjustment	-	0.4
Interest income	(9.0)	(0.8)
Leases interest	3.0	3.1
Net finance costs recognised in the income statement [a]	59.0	110.0

a Net finance costs include the following significant items (refer to note A7): $23.7 million of derivative settlement costs and debt termination fees. In the pcp, net finance costs included $30.0 million of debt modifications, $15.6 million of derivative settlement costs (comprising $8.1 million released from fair value adjustments held against debt, $6.7 million released from cash flow hedge reserves and $0.8 million transaction costs) and $7.9 million of borrowing amendment fees.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

A6 DIVIDENDS
No dividends were declared or paid.

	2024 $m	2023 $m
Franking credit balance		
Amount of franking credits available to shareholders	97.6	111.8

A7 SIGNIFICANT ITEMS
Loss before income tax (LBT) is stated after charging the following significant items:

	2024 $m	2023 $m
Impairment [a]	1,438.6	2,167.8
Regulatory, fines, penalties, duty, consultant, legal and other costs [b]	100.0	594.8
Debt refinancing costs [c]	23.7	53.5
Redundancy and employment costs [d]	7.9	16.1
Accounting for software change [e]	-	1.8
Profit on sale of assets [f]	(22.9)	(9.2)
Net significant items	1,547.3	2,824.8
Tax on significant items [g]	149.2	(348.3)
Significant items net of tax	1,696.5	2,476.5

a Impairment of goodwill, property, plant & equipment, intangibles and other current and non-current assets (refer to note B6).

b Regulatory, fines, penalties, underpaid casino duty, consultant, legal, Manager, Special Manager and other costs.

c Derivative settlement costs and debt termination fees. In the pcp, also included debt modifications.

d Reorganisation and cessation of employment costs.

e Software-as-a-Service (SaaS) arrangement project implementation costs. Major projects include the implementation of new payroll and customer management Salesforce systems.

f Equity accounted share of Destination Gold Coast Investment’s profit relating to the sale of Sheraton Grand Mirage Resort. In the pcp, equity accounted share of Destination Gold Coast Consortium’s profit relating to the sale of Tower 1 residential units and Destination Sydney Consortium’s profit on the NSW Government’s compulsory acquisition of its Pyrmont property.

g Includes tax benefit of $415.0 million on significant items listed above offset by a $564.2 million deferred tax expense in relation to the derecognition of deferred tax assets. In the pcp, comprises the tax benefit on significant items only.

Significant items are determined by management based on their nature and size. They are items of income or expense which are, either individually or in aggregate, material to the Group or to the relevant business segment and:

- not in the ordinary course of business (for example, the cost of significant reorganisation or restructuring); or
- part of the ordinary activities of the business but unusual due to their size and nature (for example, impairment of assets).

A8 LEASES
The following amounts relating to AASB16 leases are recognised in the income statement:

	2024 $m	2023 $m
Depreciation expense of right-of-use assets (refer to note B4)	2.9	5.7
Interest expense on lease liabilities (refer to note A5)	3.0	3.1
Total	5.9	8.8

B KEY BALANCE SHEET DISCLOSURES

ASSETS

B1 CASH AND CASH EQUIVALENTS

	2024 $m	2023 $m
Cash on hand	70.5	69.5
Cash at bank	16.5	9.7
Short term deposits - unrestricted	182.5	9.5
Short term deposits - restricted	30.1	-
	299.6	88.7

B2 TRADE AND OTHER RECEIVABLES

	2024 $m	2023 $m
Trade receivables	48.5	37.7
Less provision for impairment	(32.9)	(33.0)
Net trade receivables	15.6	4.7
Other receivables	15.9	16.1
	31.5	20.8

(i) PROVISION FOR IMPAIRMENT RECONCILIATION

	2024 $m	2023 $m
Balance at beginning of year	(33.0)	(37.0)
Impairment of trade receivables [a]	(0.4)	(1.0)
Less amounts written off as uncollectible	0.5	5.0
	(32.9)	(33.0)

[a] These amounts are included in other expenses in the income statement.

Trade receivables are non-interest bearing and are generally on 30 day terms.

(ii) AGEING OF TRADE AND OTHER RECEIVABLES

Trade receivables	0 - 30 days $m	30 days - 1 year $m	1 - 3 years $m	3 years + $m	Total $m
2024					
Not yet due	15.6	-	-	-	15.6
Past due not impaired	-	-	-	-	-
Considered impaired	-	-	2.3	30.6	32.9
	15.6	-	2.3	30.6	48.5
2023					
Not yet due	4.7	-	-	-	4.7
Past due not impaired	-	-	-	-	-
Considered impaired	-	-	2.4	30.6	33.0
	4.7	-	2.4	30.6	37.7

OTHER RECEIVABLES

Other receivables are not past due or considered impaired. It is expected that these balances will be received as they fall due.

Impairment of trade receivables

The Group impairment analysis is performed at each reporting date to measure expected credit losses. The provision reflects the probability-weighted outcome of reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Debtor balances have been individually assessed based on criteria, including: patron's financial circumstances; payment history; relationship with the Group; international gambling activity; and whether a legal claim has commenced to collect the balance.

B3 DERIVATIVE FINANCIAL INSTRUMENTS

	2024 $m	2023 $m
Current assets		
Interest rate swaps	-	2.6
	-	2.6
Non current assets		
Cross currency swaps	-	36.5
Interest rate swaps	-	0.9
	-	37.4
Current liabilities		
Cross currency swaps	-	3.8
	-	3.8
Net financial assets	-	36.2

All derivatives were closed in October 2023 in conjunction with the repayment of existing bank loans and prepayment and termination of the USPP notes.

Valuation of derivatives and other financial instruments

The valuation of derivatives and financial instruments is based on market conditions at the balance sheet date. The value of the instrument fluctuates on a daily basis and the actual amounts realised may differ materially from their value at the balance sheet date.

Refer to note E2 for additional financial instruments disclosure.

B4 PROPERTY, PLANT AND EQUIPMENT

	Note	Freehold land $m	Freehold and leasehold buildings $m	Leasehold improvements $m	Plant and equipment $m	Right of use asset $m	Total $m
2024							
Cost							
Opening balance at beginning of the year		74.1	2,760.9	302.2	1,205.8	58.4	4,401.4
Additions		-	18.7	-	27.3	1.6	47.6
Disposals / write offs		-	(16.5)	-	(35.3)	(3.6)	(55.4)
Reclassification / transfer		-	(21.3)	(0.5)	22.6	-	0.8
Non-current asset held for sale		(1.5)	(0.4)	(0.1)	-	-	(2.0)
Closing balance at end of the year [a]		72.6	2,741.4	301.6	1,220.4	56.4	4,392.4
Accumulated depreciation							
Opening balance at beginning of the year		-	1,405.5	154.7	1,052.2	36.7	2,649.1
Depreciation expense	A4	-	35.9	8.7	54.1	2.9	101.6
Disposals / transfers		-	(16.5)	-	(34.8)	(3.4)	(54.7)
Impairments	A4	-	443.5	25.5	59.1	10.9	539.0
Closing balance at end of the year		-	1,868.4	188.9	1,130.6	47.1	3,235.0
Carrying Amount							
Opening balance at beginning of the year		74.1	1,355.4	147.5	153.6	21.7	1,752.3
Closing balance at end of the year		72.6	873.0	112.7	89.8	9.3	1,157.4
2023							
Cost							
Opening balance at beginning of the year		74.1	2,722.1	301.2	1,188.5	58.8	4,344.7
Additions		-	61.3	0.3	35.3	-	96.9
Disposals / write offs		-	(11.1)	-	(28.7)	(0.4)	(40.2)
Reclassification / transfer		-	(11.4)	0.7	10.7	-	-
Closing balance at end of the year [a]		74.1	2,760.9	302.2	1,205.8	58.4	4,401.4
Accumulated depreciation							
Opening balance at beginning of the year		-	638.9	141.3	910.8	18.2	1,709.2
Depreciation expense	A4	-	67.7	9.7	77.9	5.7	161.0
Disposals / transfers		-	(9.3)	-	(29.0)	(0.7)	(39.0)
Impairments	A4	-	708.2	3.7	92.5	13.5	817.9
Closing balance at end of the year		-	1,405.5	154.7	1,052.2	36.7	2,649.1
Carrying Amount							
Opening balance at beginning of the year		74.1	2,083.2	159.9	277.7	40.6	2,635.5
Closing balance at end of the year		74.1	1,355.4	147.5	153.6	21.7	1,752.3

	2024 $m	2023 $m
a Includes capital works in progress of:		
Buildings - at cost	11.2	13.8
Plant and equipment - at cost	7.3	4.8
Total capital works in progress	18.5	18.6

For details on capital activities refer to section 2.4 of the Directors' Report.
Property, plant and equipment is comprised of the following assets:

- Freehold land - Gold Coast property;
- Freehold and leasehold buildings - Brisbane, Gold Coast and Sydney properties;
- Leasehold improvements - Brisbane and Sydney properties;
- Plant and equipment - operational and other equipment: and
- Right-of-Use assets - Property and other equipment.

Asset useful lives and residual values
For the accounting policy on depreciation and useful lives of property, plant and equipment refer to note A4.

Impairment
Refer to note B6 for details of the accounting policy and key assumptions included in the impairment calculation.

B5 INTANGIBLE ASSETS

	Note	Goodwill $m	Sydney and Brisbane casino licences $m	Sydney casino concessions $m	Software [a] $m	Other $m	Total $m
2024							
Cost							
Opening balance at beginning of the year		1,442.2	294.7	100.0	357.9	20.1	2,214.9
Additions		-	-	-	30.3	0.1	30.4
Disposals / write offs		-	-	-	(14.3)	-	(14.3)
Reclassification / transfer		-	-	-	(0.8)	-	(0.8)
Closing balance at end of the year		1,442.2	294.7	100.0	373.1	20.2	2,230.2
Accumulated amortisation							
Opening balance at beginning of the year		1,313.4	185.0	69.8	301.8	12.1	1,882.1
Amortisation expense	A4	-	1.8	0.4	15.6	0.3	18.1
Disposals		-	-	-	(14.6)	-	(14.6)
Impairments	A4	128.8	73.4	17.0	50.2	2.6	272.0
Closing balance at end of the year		1,442.2	260.2	87.2	353.0	15.0	2,157.6
Carrying Amount							
Opening balance at beginning of the year		128.8	109.7	30.2	56.1	8.0	332.8
Closing balance at end of the year		-	34.5	12.8	20.1	5.2	72.6
2023							
Cost							
Opening balance at beginning of the year		1,442.2	294.7	100.0	319.2	20.1	2,176.2
Additions		-	-	-	39.1	-	39.1
Disposals		-	-	-	(0.4)	-	(0.4)
Closing balance at end of the year		1,442.2	294.7	100.0	357.9	20.1	2,214.9
Accumulated amortisation							
Opening balance at beginning of the year		162.5	81.8	32.3	230.5	7.1	514.2
Amortisation expense	A4	-	3.1	0.9	28.9	0.4	33.3
Disposals		-	-	-	(0.6)	-	(0.6)
Impairments	A4	1,150.9	100.1	36.6	43.0	4.6	1,335.2
Closing balance at end of the year		1,313.4	185.0	69.8	301.8	12.1	1,882.1
Carrying Amount							
Opening balance at beginning of the year		1,279.7	212.9	67.7	88.7	13.0	1,662.0
Closing balance at end of the year		128.8	109.7	30.2	56.1	8.0	332.8

a Includes capital works in progress of $26.0 million (2023: $28.0 million).

Asset useful lives and residual values
Intangible assets are amortised using the straight line method as follows:

- The Sydney casino licence is amortised from its date of issue until expiry in 2093.
- The Sydney casino concessions granted by the New South Wales government include product concessions in New South Wales which are amortised over the period of expected benefits.
- The Brisbane casino licence is amortised over the remaining life of the lease to which the licence is linked, which expires in 2070. The Group will continue to amortise the casino licence over its current term up until it is surrendered, no later than 23 October 2024. This follows the closure of Treasury Brisbane on 25 August 2024.
- Software is amortised over useful lives of 3 to 10 years.
- Other assets include the contribution to the construction costs of the state government owned Gold Coast Convention and Exhibition Centre. The Group's Gold Coast casino is deriving future benefits from the contribution, which is being amortised over a period of 50 years.

Goodwill and impairment testing

Goodwill is assessed for impairment on an annual basis and is carried at cost less accumulated impairment losses. Refer to note B6 for the accounting policy on asset impairment and details of key assumptions included in the impairment testing calculation.

B6 IMPAIRMENT TESTING AND GOODWILL

Goodwill acquired through business combinations has been allocated to the applicable cash generating unit (***CGU***) for impairment testing. Each CGU represents a business operation of the Group.

CARRYING AMOUNT OF GOODWILL ALLOCATED TO EACH CASH GENERATING UNIT

Cash generating unit (Reportable segment)	Sydney $m	Gold Coast $m	Brisbane $m	Total carrying amount $m
2024	-	-	-	-
2023	-	-	128.8	128.8

The recoverable amount of each of the three CGUs at year end (Sydney, Gold Coast and Brisbane) is determined based on 'fair value less costs of disposal', which is calculated using the discounted cash flow approach. This approach utilises cash flow forecasts that represent a market participant's view of the future cash flows that would arise from operating and developing the Group's assets. These cash flows are principally based on management forecasts for a five-year period, together with longer term projections and forecast capital investment, extrapolated using an implied terminal growth rate of 2.5% (2023: 2.5%). These cash flows are then discounted using a relevant long term post- tax discount rate specific to each CGU, ranging between 9.6% to 10.5% (2023: 10.0% to 12.6%). The pre-tax discount rates range between 9.6% to 13.8% (2023: 11.8% to 15.1%).

An impairment of $1,430.1 million was recognised at 30 June 2024 (2023: $2,167.8 million). The impairment was first taken against goodwill ($128.8 million) and then apportioned between investments in associates ($602.2 million), property, plant and equipment ($539.0 million), intangibles ($143.2 million) and other non-current assets ($16.9 million).

KEY ASSUMPTIONS

The fair value measurement is valued using level 3 valuation techniques (refer to note E2(i) for details of the levels). The key assumptions on which management based its cash flow projections when determining 'fair value less costs of disposal' are as follows:

i. Cash flow forecasts
The cash flow forecasts for Sydney and Gold Coast are based on management forecasts for a five-year period, together with longer term projections, growth rates and capital investment forecasts. Cashflows also include the expected outflows to settle the regulatory and legal provisions held.

The cash flow forecasts for Brisbane incorporate the FY25 budget for the remaining months of Treasury Brisbane operations, valuation of the Treasury buildings, operator fees derived from Brisbane Consortium Integrated Resort Joint Venture (***DBC*** and ***DBC Queens Wharf Integrated Resort***) (net of an allocation of corporate costs) and management forecasts for a five-year period, together with longer term projections, growth rates and forecast capital investment.

Cashflow forecasts for each CGU include a notional allocation of the Group’s corporate costs.

ii. Terminal value
The terminal growth rate used is in line with the forecast long term underlying growth rate in the Consumer Price Index (CPI).

iii. Discount rates
Discount rates applied are based on the post tax weighted average cost of capital applicable to the relevant cash generating unit. The discount rate includes a risk premium for the uncertainty associated with ongoing regulatory and other matters, including:

- Legal and other matters (Sydney and Gold Coast): significant uncertainty remains around the quantum and timing of any penalty in relation to the AUSTRAC proceeding and the quantum of any amount payable in relation to the Class Action (see Note B7).
- The Star Brisbane (Brisbane): The Star Brisbane opened on 29 August 2024, replacing the Treasury Brisbane operations. As a new property with vastly increased scale, there is inherent uncertainty around the ability to predict sustained longer-term earnings forecasts.

iv. Impairment
The Sydney and Gold Coast CGUs experienced a significant and rapid deterioration in operating conditions, largely driven by the compounding impact of meeting existing regulatory requirements, exclusions and by a continuing significant weakness in consumer discretionary spending behaviour and loss of market share. In Sydney, daily patron cash limits of $5,000 for carded play and mandatory carded play for private gaming areas and select games on the main gaming floor commenced on 19 August 2024. Fully carded play is required in Sydney by 19 October 2024 and the daily cash permitted per person will be reduced to $1,000 by 19 August 2025. In Queensland, legislation has been enacted in relation to mandatory carded play and daily patron cash limits. Regulations to give effect to those reforms are yet to be enacted (see Note B7). Carded play is currently anticipated to have a negative impact on earnings. Significant uncertainty also remains around the quantum and timing of any penalty in relation to the AUSTRAC proceeding and the quantum of any amount payable in relation to the Class Action (see Note B7). In Brisbane, the operating and macro-economic conditions affecting Sydney and Gold Coast are expected to impact the future earnings of The Star Brisbane casino.

In combination, these factors have reduced the valuation of the CGUs, requiring an impairment of $1,430.1 million (Sydney: $337.1 million, Gold Coast $274.0 million and Brisbane $819.0 million) to be recognised for the year ended 30 June 2024 (2023: $2,167.8 million). The impairment is recognised in the line 'Depreciation, amortisation and impairment expense' in the Consolidated Income Statement. The impairment was first allocated against the CGU's goodwill balance ($128.8 million) and then apportioned between investment in associates ($602.2 million), property, plant and equipment ($539.0 million), intangibles ($143.2 million) and other non-current assets ($16.9 million).

v. Sensitivities
The key estimates and assumptions used to determine the 'fair value less costs of disposal' of a CGU are based on management's current expectations after considering past experience, future investment forecasts and external information. They are considered to be reasonably achievable, however, changes in any of these key estimates, assumptions or regulatory or operating environments may require further impairment charges to be recognised.

An increase or decrease of 0.5% in the discount rate would result in changes to the impairment of each cash generating unit: Sydney (+$54.6 million or -$62.1 million); Gold Coast (+$26.7 million or -$30.6 million); and Brisbane (nil).

IMPAIRMENT OF ASSETS

Goodwill and indefinite life intangible assets are tested for impairment at least annually. Property, plant and equipment, other intangible assets and other non-financial assets are considered for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic entity, the viability of the unit itself.

LIABILITIES

B7 PROVISIONS, CONTINGENT LIABILITIES AND REGULATORY MATTERS

	2024 $m	2023 $m
Current		
Regulatory and legal provisions [a]	399.5	423.1
Employee benefits	82.3	76.2
Worker's compensation	8.4	6.4
	490.2	505.7
Non current		
Employee benefits	6.7	6.6
Other	1.4	1.4
	8.1	8.0

[a] The Group recognised provisions relating to various regulatory and legal matters including fines issued by the New South Wales Independent Casino Commission (***NICC***) and Office of Liquor and Gaming Regulation (***OLGR***), AUSTRAC proceeding, underpaid casino duty in NSW, consultants, Manager, Special Manager, legal and other costs. Disclosing individual amounts would seriously prejudice these matters considering the present status and range of potential outcomes.

Reconciliations of each class of provision, except for employee benefits, at the end of each financial year are set out below:

	Regulatory and legal provisions $m	Workers' compensation (current) $m	Other (non-current) $m
2024			
Carrying amount at beginning of the year	423.1	6.4	1.4
Provisions made during the year	100.0	5.8	-
Provisions utilised during the year	(123.6)	(3.8)	-
	399.5	8.4	1.4
2023			
Carrying amount at beginning of the year	12.7	6.4	1.4
Provisions made during the year	594.8	3.3	-
Provisions utilised during the year	(184.4)	(3.3)	-
	423.1	6.4	1.4

AUSTRAC proceeding

On 30 November 2022, the Australian Transaction Reports and Analysis Centre (***AUSTRAC***), commenced civil penalty proceedings in the Federal Court of Australia against The Star Pty Limited and The Star Entertainment QLD Limited (collectively ***The Star Entities***). AUSTRAC alleges that The Star Entities contravened the *Anti-Money Laundering and Counter Terrorism Financing* (***AML/CTF***) *Act 2006 (Cth)* by failing to conduct appropriate due diligence on customers who were higher risk and by failing to have an appropriate AML/CTF program.

The Star Entities filed a Statement of Admissions and Factual Contentions (***SAFC***) on 10 November 2023 and subsequently the parties continued to negotiate with a focus on narrowing the issues in dispute. On 24 July 2024, the Court made orders referring a list of issues of fact in the proceeding to a referee who will provide a report to the Court to assist it to determine those issues. The reference process involves a hearing in the period from 4 to 22 November 2024 with the report to be delivered to the Court some time thereafter.

AUSTRAC has commenced civil penalty proceedings against other companies on five occasions. The AUSTRAC proceedings to date have led to the Federal Court approving and / or ordering the respondent to pay significant penalties: Tabcorp $45 million (2017); CBA $700 million (2018); Westpac $1.3 billion (2020); Crown $450 million (2023); and most recently, SkyCity $67 million (2024). The determination of the Federal Court's penalty (including where a penalty has been jointly proposed by AUSTRAC and the defendant to the Court) is specific to the facts of each case and arrived at after consideration of admissions made and evidence and submissions in relation to the appropriateness of the penalty.

AUSTRAC alleges that the number of contraventions committed by The Star Entities is innumerable. The Group has determined a provision on the Balance Sheet at 30 June 2024. This provision was, and is, recognised at a time where there remains considerable uncertainty as the quantum of the penalty, including what approach the Court may take into consideration of any evidence or submissions as to appropriate quantum which may be put forward by the parties. Any actual penalty paid by The Star Entities may differ materially to the provision recorded at 30 June 2024.

Underpaid casino duty

The Bell Inquiry of The Star Pty Ltd conducted in 2022 (***Bell One Review***) identified potential issues with the way in which the Group calculated rebate duty payable to the NSW Government.

In accordance with the recommendations from the Bell One Review, an independent review has been conducted of all rebate play at The Star Sydney between 28 November 2016 and 9 May 2022 in accordance with the scope agreed with Liquor and Gaming NSW (***L&GNSW***). L&GNSW has conducted an assurance review over the findings of that independent review.

In addition, the Group is working with the NICC and NSW Treasury to develop a clear and objective test for the residency of rebate players. Such a test was recommended from the Bell One Review and will require an amendment to The Star Sydney's Duty agreement and result in changes to relevant internal controls.

The Group has determined a provision on the Balance Sheet at 30 June 2024 of the potential impact based on the amount determined from the independent review, which was subsequently agreed with L&GNSW (refer to note C2). Penalty interest could be enforced under the relevant Duty Agreements during the relevant period for late payment of casino duty and responsible gambling levy at a daily penalty rate of 0.15%. If this is applied, the final quantum of the penalty interest could materially increase the amount provided. The penalty interest is subject to discussions with the Department of Creative Industries, Tourism, Hospitality and Sport and NSW Treasury.

ASIC proceedings against former directors and officers of the Company

In December 2022, the Australian Securities and Investment Commission (ASIC) commenced civil penalty proceedings in the Federal Court of Australia against 11 former directors and officers of The Star Entertainment Group Limited (***Company***) alleging contraventions of the *Corporations Act 2001 (Cth)*.

As no entity of the Group is party to these proceedings, it is not possible to predict the timing and any financial impact of these claims on the Group, including in relation to the likely costs incurred by the Group on behalf of the defendants, or the extent to which those costs might be covered by the Group's insurance policies and indemnities in place for former officers and directors.

The Group has determined a provision on the Balance Sheet at 30 June 2024 relating to an estimate of legal costs.

Class action

On 30 March 2022, a shareholder class action was commenced in the Supreme Court of Victoria, alleging the Company failed to comply with its continuous disclosure obligations and engaged in misleading or deceptive conduct in relation to the Company systems, controls, operations and regulatory risks.

The Company has filed its defence containing no admissions of any contravention. At 30 June 2024, the Company has assessed there is no present obligation in respect of this matter and it represents a contingent liability. The outcome of the Class Action and any potential financial impacts are unknown, including the extent to which any amounts might be covered by the Group's insurance policies.

GST amended assessments

On 11 August 2021 the Group received amended assessments from the Australian Taxation Office (***ATO***) in respect of a dispute for the period October 2013 to August 2017 (inclusive) in relation to the GST treatment of rebates paid to junket operators for The Star Pty Limited. The amount in dispute for this period is approximately $149.3 million (primary tax of $81.9 million and interest of $67.4 million). In FY22 the Group paid $40.9 million as a deposit to the ATO on a no-admissions basis. The deposit is held as a current asset on the balance sheet.

On 6 September 2021 the Group filed an application for judicial review with the Federal Court of Australia in relation to the interest assessment and on 5 October 2021 lodged an objection against the primary assessments with the ATO. The ATO disallowed the Group's objections in October 2023. On 5 December 2023 the Group appealed by commencing proceedings in the Federal Court of Australia.

Withholding tax penalty

The Group is in dispute with the ATO in relation to the appropriate method for calculating withholding tax on rebates paid to junket operators for the 2015 to 2020 income tax years. The amount in dispute for the period is $7.7 million (primary penalty of $6.4 million and interest of $1.3 million). The relevant Group entities objected to the ATO's decision to issue the penalties. The ATO disallowed the Group's objections in October 2023 and on 5 December 2023 the relevant Group entities appealed by commencing proceedings in the Federal Court of Australia. In FY2024 the Group paid $3.2 million as a deposit to the ATO on a no-admissions basis. The deposit is held as a current asset on the balance sheet.

Legal challenges

There are outstanding legal proceedings between the Company and its controlled entities and third parties as at 30 June 2024. The Group has notified its insurance carrier of all relevant litigation and currently anticipates that any damages (other than exemplary damages) that may be awarded against the Group, in addition to its costs incurred in connection with the proceedings, may be covered by its insurance policies where such policies are in place. Provisions are made for known obligations where the existence of a liability is probable and can be reasonably estimated. As the outcomes of these actions remain uncertain, contingent liabilities exist for possible amounts eventually payable.

NEW SOUTH WALES

Disciplinary Action

The final instalment of the $100 million penalty issued following the Bell Review, was paid on 28 December 2023.

In November 2023, the NICC requested that the term of the appointment of the Manager be extended by regulation to 30 June 2024. Following the commencement of Bell Two Inquiry (***Bell Two***) (see below) the NICC confirmed on 25 March 2024 that it intended to seek a further extension of the term of the Manager's appointment to 30 September 2024 to allow for the Bell Two Report and findings to be delivered on 31 July 2024. The Manager's appointment was further extended on 1 August 2024 to 31 March 2025 (see below).

Regulatory reforms

Compulsory carded play and cash play limits were due to commence on 19 August 2024 however the timetable for compliance was amended by the NSW Government to transition these requirements. From 19 August 2024, mandatory carded play is required in private gaming areas and on select games on the main gaming floor with daily cash limits of $5,000 for carded play. Fully carded play is required by 19 October 2024 and the daily cash permitted per person will be reduced to $1,000 by 19 August 2025.

Bell Two

On 19 February 2024, the NICC announced an inquiry to investigate the suitability of The Star Pty Ltd (***The Star Sydney***) and its close associate, the Company, to be concerned in or associated with the management and operation of The Star Sydney Casino. The NICC appointed Mr Adam Bell SC to preside over an inquiry with the powers of a royal commissioner in NSW. Public hearings were conducted from 15 April 2024 to 3 May 2024.

On 1 August 2024, the NICC advised that its request to extend the term of the appointment of the Manager of The Star Sydney Casino by regulation to 31 March 2025 had been approved. In addition, on 30 August 2024, the NICC provided to the Company and The Star Sydney, a copy of the report of the Second Inquiry conducted by Mr Adam Bell SC in respect of The Star Sydney (the ***Bell Two Report***). A copy of the non-confidential parts of the Bell Two Report was released to the public on the same day.

The Company and The Star Sydney acknowledge the findings of the Bell Two Report. While the Bell Two Report finds that there has been substantial reform of the control environment of The Star Sydney and a material improvement in risk management resources, systems, and culture, along with the "positive steps" of the recent appointments of experienced personnel to important leadership positions in the Company, it nonetheless concludes that the Company and The Star Sydney are presently unsuitable to be concerned in, or associated with, the management and operation of The Star Sydney. The Company and The Star Sydney accepted during the Bell Two Inquiry that The Star Sydney was not presently suitable to hold a licence in its own right.

The Bell Two Report made findings and recommendations in relation to four areas of non-compliance which resulted in various breaches by The Star Sydney during 2023 and 2024 which are the subject of ongoing consideration by the NICC and could, in the future, potentially involve the imposition of fines and penalties under the relevant NSW legislation. A range of outcomes against The Star Sydney are possible, including among other things, the imposition of a penalty, letter of censure, amendments to the conditions, further suspension, or cancellation, of The Star Sydney's licence.

On 13 September 2024, the NICC served a 'show cause' notice (***Notice***) on the Company, requesting a response to the Breach Findings from the Bell Two inquiry. The NICC has also requested information about the Company's current financial position and its plans to address these issues so that it can make informed decisions about the Company's financial suitability to hold the casino licence for The Star Sydney. The Company lodged its response on Friday, 27 September 2024. The Company and The Star Sydney are considering the recommendations and guidance in the Bell Two Report and, subject to any response to the Bell Two Report by the NICC, will seek to implement relevant recommendations at an appropriate time.

Casino duty reforms

On 11 August 2023 the NSW Treasurer and the Group announced an in-principle agreement had been reached in relation to changes to casino duty rates for casinos in New South Wales and their impact on The Star Sydney. An agreement was finalised between NSW Treasury and The Star Sydney on 20 November 2023.

The changes include rate increases for rebate duty (10% to 12.5%) and Table Games (17.91% to 20.25%) from 1 July 2023. Poker Machine duty rates will remain as follows until 2030 (20.91% until 30 June 2024, 21.91% from 1 July 2024 and 22.91% from 1 July 2027). From 1 July 2030 poker machines will be taxed based on average poker machine revenue using a progressive rate scale with a maximum of 51.6%. In the period 1 July 2023 to 30 June 2030 an additional levy will apply equal to 35% of The Star Sydney's gaming revenue above $1.125 billion per financial year. There is no change to the Responsible Gambling Levy rate.

This agreement includes an undertaking that provides employment certainty for team members as agreed with the United Workers Union.

QUEENSLAND

Disciplinary action

The final instalment of the $100 million penalty issued following the review by the Hon. Robert Gotterson AO into the Group's Queensland Operations, was paid on 28 December 2023.

On 24 November 2023, the Group received confirmation that the Remediation Plan was approved by the Attorney-General of Queensland in accordance with the provisions of the *Casino Control Act 1982 (QLD)*. Following this decision, on the recommendation of the Honourable Yvette D'Ath MP, Attorney-General of Queensland (***Qld A-G***), the Governor-in-Council deferred the decision on the licence suspensions of Treasury Brisbane and The Star Gold Coast to 31 May 2024 and extended the term of the Special Manager by 12 months to 8 December 2024.

On 17 May 2024, the Group was advised by OLGR, on the recommendation of the Qld A-G, that the Governor-in-Council approved changing the date of effect of the licence suspensions for The Star Gold Coast and Treasury Brisbane casinos from 31 May 2024 to 20 December 2024.

The Company has been advised that this will allow the Queensland Government to consider the outcomes of Bell Two and to better assess the Group's remediation progress, before making further decisions. The term of the Special Manager appointment for The Star Gold Coast and Treasury Brisbane casinos remains unchanged and is currently due to end on 8 December 2024 (no later than 23 October 2024 for Treasury Brisbane on surrender of its casino licence following the opening of The Star Brisbane).

An External Adviser has been appointed by the Minister for The Star Brisbane casino operations which are managed by the Group (see note C2).

Regulatory reforms

On 28 March 2024, the *Casino Control and Other Legislation Act 2024* was enacted to give effect to the balance of the recommendations of the Gotterson Report and certain other casino reforms. The proposed reforms include the introduction of mandatory carded play, restrictions on the use of cash, mandatory player pre-commitments including play and break limits, and a supervisory levy payable by casino licence holders. Most reforms took effect from enactment, with the remaining reforms to either commence on a date to be fixed by proclamation (including the introduction of a supervisory levy) or 6 months after enactment. The implementation of each of the key measures noted above requires the introduction of regulations giving effect to those reforms.

Suitability Investigation – Chow Tai Fook Enterprises (*CTFE*)

On 2 May 2024, the Qld A-G noted that there is insufficient evidence to conclude that CTFE or its relevant associates are unsuitable to be an associate or close associate of DBC, which holds The Star Brisbane casino licence. CTFE is a 25% interest-holder in DBC.

Financial guarantees

Refer to note E1 for details of financial guarantees provided by the Group at the reporting date.

B8 INTEREST BEARING LIABILITIES

	2024 $m	2023 $m
Current		
Lease liabilities	6.1	6.0
	6.1	6.0
Non current		
Bank loans - unsecured (net of unamortised borrowing costs)	269.6	362.9
Private placement - US dollar - amortised cost	-	357.5
Lease liabilities	26.1	30.8
	295.7	751.2

On 8 November 2023, a new Australian dollar syndicated facility agreement was executed, providing $450 million of commitment across two debt facilities:

- $300 million four-year term facility, fully drawn on 8 December 2023.
- $150 million four-year revolving working capital facility, undrawn.

The syndicated facility (*SFA*) matures in December 2027 (2023: weighted average maturity of 2.0 years) and is subject to covenants and undertakings typical of this type of facility. Interest on the facilities is variable, linked to the Australian Bank Bill Swap Bid Rate, plus a margin. The $150.0 million revolving working capital facility allows up to $50.0 million of issued bank guarantees, of which $29.5 million has been utilised at 30 June 2024. The facility is secured by a first charge over the assets of the controlled entities denoted (d) in note D1.

In October 2023, following completion of the capital raising, existing bank loans were repaid and the US dollar private placements (*USPP*) notes were prepaid and terminated. The bank loan facilities were subsequently terminated in November 2023 following execution of the syndicated facility agreement. Fees of $3.0 million were recognised in finance costs in relation to the terminations.

Net cash was $30.0 million (2023: net debt of $595.5 million), with the movement due to completion of a $750.0 million capital raising in October 2023. Net leverage ratio as agreed with the financiers under the SFA was 2.7x. The Group was compliant with all covenants at 30 June 2024. The Group and its lenders executed a commitment letter on 25 September 2024 for a new debt facility (of up to $200 million in two tranches) which will become effective upon completion of long-form documentation and satisfaction of various conditions precedent. As part of the new debt facility, the lenders have agreed to provide covenant waivers for the next two testing dates, being 30 September 2024 and 31 December 2024, with the waiver for the latter date being subject to execution of long-form documentation for the new debt facility and other customary conditions (see Note G).

Refer to note F7 (iii) for Capital management disclosures and the calculation of the net leverage ratio.

2024 Type	Facility amount $m USD	Facility amount $m AUD	Unutilised at 30 June $m [a]	Maturity date
Bank loans	-	150.0	120.5	December 2027
Bank loans	-	300.0	-	December 2027
Total	-	450.0	120.5	

[a] At 30 June 2024, $29.5 million of bank guarantees have been issued against the revolving facility. No amount has been drawn.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

2023 Type	Facility amount $m USD	Facility amount $m AUD [a]	Unutilised at 30 June $m	Maturity date
Bank loans	-	104.0	104.0	March 2024
Bank loans	-	540.0	226.0	July 2024
Bank loans	-	120.0	70.0	July 2025
Bank loans	-	28.0	28.0	July 2026
Total bank loans	-	792.0	428.0	
USPP	28.9	37.0	-	August 2025
USPP	166.5	213.3	-	August 2027
USPP	40.4	54.2	-	September 2028
Total USPP	235.8	304.5	-	
Total	235.8	1,096.5	428.0	

[a] USPP Notes are issued in USD and presented at the AUD amount repayable under cross currency interest rate swaps at maturity.

FAIR VALUE DISCLOSURES
Details of the fair value of the Group's interest bearing liabilities are set out in note E2.

FINANCIAL RISK MANAGEMENT
The Group is exposed to interest rate risk as a result of the syndicated facility. The Group utilises its cash in bank, short term deposits and restricted cash, which receive a floating rate of interest, to provide a natural hedge against this risk, with approximately 76.4% of the Group’s borrowings covered.

Bank loans and USPP notes in the prior comparative period exposed the Group to foreign currency and interest rate risk, which was hedged with cross currency interest and interest rate swaps. These hedges were closed in October 2023 in conjunction with the repayment of existing bank loans and prepayment and termination of the USPP notes.

Further details about the Group's exposure to interest rate and foreign currency movements are provided in notes E1 and E2.

C COMMITMENTS AND SUBSEQUENT EVENTS

C1 COMMITMENTS

CAPITAL COMMITMENTS [a]

	2024 $m	2023 $m
Not later than one year	15.0	13.6
Later than one year but not later than five years	1.4	-
Later than five years	-	-
	16.4	13.6

a Other commitments as at 30 June 2024 have increased as a result of capital works in preparation for the phased opening of DBC Queens Wharf Integrated Resort which commenced on 29 August 2024 and IT projects attributable to Casino 2.0.

At 30 June 2024, the Group had $230.3 million of committed equity contributions to DBC. Subsequent to 30 June, the Group committed to a further $92.7 million of equity contributions and has currently estimated a further $35 million will be required to fund costs to complete the development. Further contributions will be required as the Group expects to fund costs associated with operations during the DBC business growth phase or to support the refinancing of the DBC debt which matures in December 2025.

For Destination Gold Coast Consortium (***DGCC***), equity contributions towards Tower 1 are complete. Tower 2 construction is underway, with an estimated $6.0 million in contributions payable in FY25. DGCC executed a $309.5 million construction facility in April 2024 which is expected to fund the remaining construction costs.

Refer to note D5 for commitments in respect of investment in associate and joint venture entities.

C2 SUBSEQUENT EVENTS

The following events occurred after balance date:

Refinance

The Group and its lenders executed a commitment letter on 25 September 2024 for a new debt facility (of up to $200 million in two tranches) which will become effective upon completion of long-form documentation and satisfaction of various conditions precedent. The first tranche is expected to be available to be drawn, subject to conditions precedent, from the end of October 2024 through to 20 December 2024. The second tranche is subject to more extensive conditions precedent but, if satisfied, would be expected to be available to be drawn from the end of December 2024 and have a 4 month availability period following the drawing of the first tranche (see Note G).

The Group's existing $450 million facility has been reduced to $334 million which is fully drawn.

The maturity date for the new facility is consistent with the existing term loan (December 2027). The Group will also retain up to $34 million of bank guarantees under the existing revolving credit facility.

The Company's lenders have agreed to provide covenant waivers for the next two testing dates, being 30 September 2024 and 31 December 2024, with the waiver for the latter date being subject to execution of long-form documentation for the new debt facility and other customary conditions.

Bell Two Report

On 1 August 2024, the NICC advised that its request to extend the term of the appointment of the Manager of The Star Sydney Casino by regulation to 31 March 2025 had been approved. In addition, on 30 August 2024, the NICC provided to the Company and The Star Sydney, a copy of the Bell Two Report. A copy of the non-confidential parts of the Bell Two Report was released to the public on the same day. See Note B7.

On 13 September 2024 the NICC served a 'show cause' notice on the Company pursuant to section 23 of the *Casino Control Act 1992 (NSW)* in respect of matters arising from the Bell Two Report (***Notice***). In addition to the Notice, the NICC has also asked the Company to make submissions as to the actions being taken by the Company in respect of a number of findings in the Bell Two Report relating to, among other things, the Company's suitability to hold the casino licence for The Star Sydney and progress in respect of its remediation plan. The NICC has also requested information about the Company's current financial position and its proposed plans to address these issues on an ongoing basis so that it can make informed decisions about the Company's (and The Star Sydney's) financial suitability. The Company lodged its response on Friday, 27 September 2024.

Treasury Brisbane Casino and The Star Brisbane

On 25 August 2024, Treasury Brisbane Casino, owned by the Group, ceased operation and will surrender its licence no later than 23 October 2024. On 28 August 2024, DBC (of which the Group owns 50%) was issued a casino licence for The Star Brisbane, which subsequently commenced operation on 29 August 2024 under the management of the Group through an agreement with DBC.

On the direction of the Department of Justice and Attorney-General dated 28 August 2024, an External Adviser has been appointed by the Minister for The Star Brisbane casino operations which are managed by the Group, the cost of which will be borne by the Group. On the same date the Group was also directed by the Department of Justice and Attorney-General to prepare a plan for the remediation of the management and operations of The Star Brisbane.

Sale of Treasury Brisbane Casino Building

Agreement was reached to sell the leasehold interest in the Treasury Brisbane Casino Building to Griffith University for $67.5 million (plus GST). After settlement adjustments, the net proceeds were $60.5 million (plus GST). Settlement occurred on 27 September 2024.

Underpaid NSW casino duty

The Group has reached agreement with L&GNSW in relation to the primary amount of underpaid casino duty payable following the completion of the independent review and an assurance review conducted by L&GNSW (see Note B7). Penalty interest, if any, has not been agreed.

Reset Remediation Plan

Following the findings from the Bell Two Report, the Company has prepared an amended remediation plan which incorporates a number of enhancements to the previously approved version of the plan. After extensive engagement with the Manager (The Star Sydney), Special Manager (The Star Gold Coast), External Adviser (The Star Brisbane) to obtain feedback, the Company submitted the amended plan and associated documents to OLGR on 18 September 2024 for consideration and approval by the Queensland Attorney General. The reset remediation plan is subject to the approval of OLGR and government in Queensland. Copies of the plan and associated documents were also submitted to the NICC for information on 20 September 2024.

Other than those events disclosed in the Directors' Report or elsewhere in these financial statements, there have been no other significant events occurring after the balance sheet date and up to the date of this report, which may materially affect either the Group's operations or results of those operations or the Group's state of affairs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

D GROUP STRUCTURES

D1 RELATED PARTY DISCLOSURES

(i) PARENT ENTITY

The ultimate parent entity within the Group is The Star Entertainment Group Limited.

(ii) INVESTMENTS IN CONTROLLED ENTITIES

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entities in accordance with the accounting policy described in note G. The financial years of all controlled entities are the same as that of the Company (unless stated otherwise below).

Name of controlled entity	Note	Country of tax residence	Country of incorporation	Equity type	Equity interest at 30 June 2024 %	Equity interest at 30 June 2023 %
Parent entity						
The Star Entertainment Group Limited	d	Australia	Australia	ordinary shares	0.0	0.0
Controlled entities						
The Star Entertainment Sydney Holdings Limited	a b	Australia	Australia	ordinary shares	100.0	100.0
The Star Pty Limited	a b	Australia	Australia	ordinary shares	100.0	100.0
The Star Entertainment Pty Ltd	a	Australia	Australia	ordinary shares	100.0	100.0
The Star Entertainment Sydney Properties Pty Ltd	a b	Australia	Australia	ordinary shares	100.0	100.0
The Star Entertainment Sydney Apartments Pty Ltd	a	Australia	Australia	ordinary shares	100.0	100.0
Star City Investments Pty Limited	a	Australia	Australia	ordinary shares	100.0	100.0
Star City Share Plan Company Pty Ltd		Australia	Australia	ordinary shares	100.0	100.0
The Star Entertainment QLD Limited		Australia	Australia	ordinary shares	100.0	100.0
The Star Entertainment QLD Custodian Pty Ltd		Australia	Australia	ordinary shares	100.0	100.0
The Star Entertainment Gold Coast Trust		Australia	Australia	units	100.0	100.0
The Star Entertainment International No.1 Pty Ltd	d	Australia	Australia	ordinary shares	100.0	100.0
The Star Entertainment International No.2 Pty Ltd	d	Australia	Australia	ordinary shares	100.0	100.0
The Star Entertainment (Macau) Limited	c	Macau	Macau	ordinary shares	100.0	100.0
The Star Entertainment International No.3 Pty Ltd	d	Australia	Australia	ordinary shares	100.0	100.0
EEI Services (Hong Kong) Holdings Limited		Australia	Hong Kong	ordinary shares	100.0	100.0
EEI Services (Hong Kong) Limited		Australia	Hong Kong	ordinary shares	100.0	100.0
EEI C&C Services Pte Ltd		Singapore	Singapore	ordinary shares	100.0	100.0
The Star Entertainment RTO Pty Ltd	d	Australia	Australia	ordinary shares	100.0	100.0
The Star Entertainment Finance Limited		Australia	Australia	ordinary shares	100.0	100.0
Destination Cairns Consortium Pty Limited	d	Australia	Australia	ordinary shares	100.0	100.0
The Star Entertainment Technology Services Pty Ltd	d	Australia	Australia	ordinary shares	100.0	100.0
The Star Entertainment Training Company Pty Ltd	d	Australia	Australia	ordinary shares	100.0	100.0
The Star Entertainment Letting Pty Ltd	d	Australia	Australia	ordinary shares	100.0	100.0
The Star Entertainment Online Holdings Pty Ltd	d	Australia	Australia	ordinary shares	100.0	100.0
The Star Entertainment Online Pty Ltd	d	Australia	Australia	ordinary shares	100.0	100.0
The Star Entertainment Brisbane Holdings Pty Ltd	d	Australia	Australia	ordinary shares	100.0	100.0
The Star Entertainment Brisbane Operations Pty Ltd		Australia	Australia	ordinary shares	100.0	100.0
The Star Entertainment DBC Holdings Pty Ltd	d	Australia	Australia	ordinary shares	100.0	100.0
The Star Brisbane Car Park Holdings Pty Ltd	d	Australia	Australia	ordinary shares	100.0	100.0
The Star Entertainment Gold Coast Holdings Pty Ltd	d	Australia	Australia	ordinary shares	100.0	100.0
The Star Entertainment GC Investments Pty Ltd		Australia	Australia	ordinary shares	100.0	100.0
The Star Entertainment GC Investments No.1 Pty Ltd	d	Australia	Australia	ordinary shares	100.0	100.0
The Star Entertainment International No.5 Pty Ltd	d	Australia	Australia	ordinary shares	100.0	100.0

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

Name of controlled entity	Note	Country of tax residence	Country of incorporation	Equity type	Equity interest at 30 June 2024 %	Equity interest at 30 June 2023 %
EEI Services Holdings No.1 Pty Ltd		Australia	Australia	ordinary shares	100.0	100.0
EEI Services Holdings No.2 Pty Ltd		Australia	Australia	ordinary shares	100.0	100.0
EEI Services (Macau) Limited		Macau	Macau	ordinary shares	100.0	100.0
The Star Entertainment International Tourism Pty Ltd	d	Australia	Australia	ordinary shares	100.0	100.0
Destination Sydney Consortium Pty Limited	d	Australia	Australia	ordinary shares	100.0	100.0
The Star Entertainment Pyrmont Investments No.1 Pty Ltd	d	Australia	Australia	ordinary shares	100.0	100.0
The Star Entertainment GC No.1 Pty Ltd		Australia	Australia	ordinary shares	100.0	100.0
The Star Entertainment GC No.2 Pty Ltd		Australia	Australia	ordinary shares	100.0	100.0
The Star Entertainment Group Limited Employee Share Trust		Australia	Australia	units	0.0	0.0

a These companies entered into a deed of cross guarantee with The Star Entertainment Sydney Holdings Limited on 31 May 2011, and as such are members of the closed group as defined in Australian Securities and Investments Commission Instrument 2016/785 (refer to note D3).

b These companies have provided a charge over their assets and undertakings as explained in note E1.

c This company's financial year end is 31 December.

d These companies have secured the $450.0 million syndicated facility with a first charge over their assets as explained in note E1.

(iii) TRANSACTIONS WITH CONTROLLED ENTITIES

The Star Entertainment Group Limited

During the period, the Company entered into the following transactions with controlled entities:

- loans of $432.5 million were advanced by controlled entities (2023: were advanced by controlled entities $344.7 million); and
- income tax and GST paid on behalf of controlled entities was $83.5 million (2023: $144.9 million).

The amount receivable by the Company from controlled entities at year end is $1,484.7 million (2023: $1,052.2 million). All the transactions were undertaken on normal commercial terms and conditions.

(iv) TRANSACTIONS WITH OTHER RELATED PARTIES

Other transactions

During the period, in addition to equity contributions (refer to note D5), the Group entered into the following transactions with related parties:

- Amount recharged to Destination Brisbane Consortium was $49.1 million (2023: $13.1 million) in relation to pre-opening costs and reimbursement for asset purchases. There was $6.4 million outstanding at 30 June 2024 (2023: nil);
- Amount recharged to Destination Gold Coast Consortium Pty Ltd was $9.9 million (2023: $10.8 million) in relation to labour supply and building management services provided to the Dorsett Hotel. There was $0.7 million outstanding at 30 June 2024 (2023: nil); and
- Amount paid to Destination Gold Coast Consortium Pty Ltd was $17.4 million (2023: $15.9 million) relating to development of Towers 1 and 2. There was $1.3 million outstanding at 30 June 2024 (2023: nil).

D2 PARENT ENTITY DISCLOSURES

The Star Entertainment Group Limited, the parent entity of the Group, was incorporated on 2 March 2011.

	2024 $m	2023 $m
Result of the parent entity		
Loss for the year [a]	(1,677.8)	(2,304.5)
Total comprehensive loss for the year [b]	(1,677.8)	(2,304.5)

a The Company's investments and intercompany loans were impaired $1,247.9 million (2023: $1,777.9 million) as a result of the decrease in valuation of the respective CGUs (refer to note B6).

b No final dividend was declared (refer to note A6).

	2024 $m	2023 $m
Financial position of the parent entity		
Current assets	1,895.5	2,178.2
Non current assets	83.4	721.5
Total assets	1,978.9	2,899.7
Current liabilities	96.9	74.7
Non current liabilities	1,048.7	1,054.0
Total liabilities	1,145.6	1,128.7
Net assets	833.3	1,771.0
Total equity of the parent entity		
Issued capital	4,695.4	3,956.4
Retained earnings	110.6	110.6
Loss reserve	(3,982.3)	(2,304.5)
Shared based payments benefits reserve	9.6	8.5
Total equity	833.3	1,771.0

CONTINGENT LIABILITIES

Class Action

On 30 March 2022, a shareholder class action was commenced in the Supreme Court of Victoria, alleging the Company failed to comply with its continuous disclosure obligations and engaged in misleading or deceptive conduct in relation to the Company systems, controls, operations and regulatory risks.

The Company has filed its defence containing no admissions of any contravention. At 30 June 2024, the Company has assessed there is no present obligation in respect of this matter and it represents a contingent liability. The outcome of the Class Action and any potential financial impacts are unknown, including the extent to which any amounts might be covered by the Group's insurance policies.

GST Amended Assessments

On 11 August 2021 the Group received amended assessments from the Australian Taxation Office (***ATO***) in respect of a dispute for the period October 2013 to August 2017 (inclusive) in relation to the GST treatment of rebates paid to junket operators for The Star Pty Limited. The amount in dispute for this period is approximately $149.3 million (primary tax of $81.9 million and interest of $67.4 million). In FY22 the Group paid $40.9 million as a deposit to the ATO on a no-admissions basis. The deposit is held as a current asset on the balance sheet.

On 6 September 2021 the Group filed an application for judicial review with the Federal Court of Australia in relation to the interest assessment and on 5 October 2021 lodged an objection against the primary assessments with the ATO. The ATO disallowed the Group's objections in October 2023. On 5 December 2023 the Group appealed by commencing proceedings in the Federal Court of Australia.

The Parent has no other contingent liabilities at 30 June 2024.

CAPITAL EXPENDITURE

The parent entity does not have any capital expenditure commitments for the acquisition of property, plant and equipment contracted but not provided for at 30 June 2024 (2023: nil).

GUARANTEES

The Company has provided a guarantee to the debt providers of its associates and joint ventures:

- Destination Brisbane Consortium: the guarantee covers 50% of the Gaming and Entertainment syndicated facility agreement (***SFA G&E***) (see below) (of which $1.5 billion is outstanding at 30 June 2024) (see below); and
- Destination Gold Coast Consortium: the guarantee covers up to 46.3% of the $309.5 million in facilities.

The Company has secured the $450.0 million syndicated facility with a first charge over its assets (refer to note E1). In 2023, the Company had also guaranteed the customer loans of EEI Services (Hong Kong) Limited[1], for which $12.0 million was recognised in current liabilities. The Group also had bank guarantees of $67.3 million (2023: $58.8 million), comprising $29.5 million for The Star Entertainment Finance Limited (2023: $21.3 million) and $37.8 million for DBC (2023: $37.5 million) (refer to note E1).

[1] The EEI Services (Hong Kong) Limited office has been closed. The guarantee amount no longer remains as the outstanding customer loans have been completed.

DBC Financing Arrangements

The Company and its joint venture partners CTFE and Far East Consortium International (***FECI***) entered into debt facility agreements in 2020 in relation to DBC's $1.6 billion project-level debt funding. The aggregate amount outstanding is $1.5 billion at 30 June 2024 (***DBC Funding***). The DBC Funding comprises two equal facilities, drawn approximately equally, separately provided SFA G&E and a Tourism and Leisure syndicated facility agreement (***SFA T&L***). Amounts outstanding under the SFA G&E are guaranteed by the Company and amounts outstanding under the SFA T&L are guaranteed by CTFE and FECI. The two facilities are cross-collateralised against the property leases.

DBC's ability to refinance its debt on reasonable terms as it becomes due in December 2025 or to repay the debt, its ability to raise further finance, and its borrowing costs will depend on a range of factors including, but not limited to, prevailing market conditions and DBC's operating performance at the time any refinancing takes place. If DBC is unable to refinance its debt obligations, or to do so on reasonable terms, this may have an adverse impact on the financial position and performance of the Group, in particular in circumstances where the Company is required to contribute additional equity to the joint venture as part of any financing or the Company's SFA G&E guarantee is called upon.

ACCOUNTING POLICY FOR INVESTMENTS IN CONTROLLED ENTITIES

All investments are initially recognised at cost, being the fair value of the consideration given. Subsequently, investments are carried at cost less any impairment losses.

D3 DEED OF CROSS GUARANTEE

The Star Entertainment Sydney Holdings Limited, The Star Pty Limited, The Star Entertainment Pty Ltd, The Star Entertainment Sydney Properties Pty Ltd, The Star Entertainment Sydney Apartments Pty Ltd and Star City Investments Pty Limited are parties to a deed of cross guarantee under which each company guarantees the debts of the others. By entering into the deed, the wholly-owned entities have been relieved from the requirements to prepare a Financial Report and Directors Report under Instrument 2016/785 issued by the Australian Securities and Investments Commission.

Consolidated income statement and summary of movements in consolidated earnings

The above companies represent a 'closed group' for the purposes of the Class Order, and as there are no other parties to the deed of cross guarantee that are controlled by The Star Entertainment Sydney Holdings Limited, they also represent the 'extended closed group'.

Set out below is a consolidated income statement and a summary of movements in consolidated retained earnings for the year ended 30 June 2024 of the closed group.

Consolidated income statement

	2024 $m	2023 $m
Revenue	876.2	982.6
Other income	0.4	0.1
Government taxes and levies	(247.0)	(271.3)
Employment costs	(266.7)	(292.0)
Depreciation, amortisation and impairment	(365.0)	(772.2)
Cost of sales	(36.8)	(42.3)
Property costs	(38.4)	(40.4)
Advertising and promotions	(22.6)	(34.0)
Regulatory and legal costs	(39.0)	(373.4)
Other expenses	(59.8)	(66.5)
Loss before interest and tax (LBIT)	(198.7)	(909.4)
Net finance costs	(0.3)	(0.3)
Loss before income tax (LBT)	(199.0)	(909.7)
Income tax (expense)/benefit	(145.4)	127.1
Net loss after tax (NLAT)	(344.4)	(782.6)
Total comprehensive loss for the period	(344.4)	(782.6)
Summary of movements in consolidated retained earnings		
Accumulated (loss)/profit at the beginning of the financial year	(733.5)	49.1
Loss for the year	(344.4)	(782.6)
Accumulated loss at the end of the financial year	(1,077.9)	(733.5)

Consolidated balance sheet

Set out below is a consolidated balance sheet as at 30 June 2024 of the closed group consisting of The Star Entertainment Sydney Holdings Limited, The Star Pty Limited, The Star Entertainment Pty Ltd, The Star Entertainment Sydney Properties Pty Limited, The Star Entertainment Sydney Apartments Pty Limited, and Star City Investments Pty Limited.

Consolidated balance sheet

	2024 $m	2023 $m
ASSETS		
Cash assets	38.0	37.9
Trade and other receivables	11.4	11.9
Inventories	5.7	6.5
Other	11.3	12.0
Total current assets	66.4	68.3
Property, plant and equipment	636.0	909.7
Intangible assets	48.7	116.2
Other assets	2.5	3.3
Deferred tax asset	-	117.3
Total non current assets	687.2	1,146.5
TOTAL ASSETS	753.6	1,214.8
LIABILITIES		
Trade and other payables	341.3	483.4
Interest bearing liabilities	0.6	1.0
Provisions	104.6	307.8
Other liabilities	8.5	9.8
Total current liabilities	455.0	802.0
Interest bearing liabilities	1.5	2.1
Provisions	234.5	2.7
Other liabilities	0.6	1.6
Total non current liabilities	236.6	6.4
TOTAL LIABILITIES	691.6	808.4
NET ASSETS	62.0	406.4
EQUITY		
Issued Capital	1,139.9	1,139.9
Accumulated losses	(1,077.9)	(733.5)
TOTAL EQUITY	62.0	406.4

D4 KEY MANAGEMENT PERSONNEL DISCLOSURES

	2024 $000	2023 $000
Compensation of Key Management Personnel		
Short term	7,797	4,853
Long term	159	239
Share based payments	320	(60)
Termination benefits	3,824	807
Total compensation	12,100	5,839

The above reflects the compensation for individuals who are Key Management Personnel of the Group. The note should be read in conjunction with the Remuneration Report.

D5 INVESTMENT IN ASSOCIATE AND JOINT VENTURE ENTITIES

Set out below are the investments of the Group as at 30 June 2024. The entities listed below have share capital consisting solely of ordinary shares, which are held by the Group. The country of incorporation is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held. All investments listed below are measured using the equity accounting method.

2024 Name of entity	Country of incorporation	% of ownership	Nature of ownership	Share of (loss)/profit $m	Carrying amount $m
Material					
Destination Brisbane Consortium Integrated Resort Holdings Pty Ltd (i)	Australia	50	Associate	(7.6)	-
Destination Gold Coast Investments Pty Ltd (ii)	Australia	50	Joint venture	28.9	65.6
Destination Gold Coast Consortium Pty Ltd (iii)	Australia	33.3	Joint venture	(1.7)	75.6
Non material					
Festival Car Park Pty Ltd	Australia	50	Joint venture	0.4	14.1
Destination Sydney Consortium Investments Pty Ltd	Australia	50	Joint venture	(0.3)	6.4
Total equity accounted investments				19.7	161.7

Total share of profit is up $15.3 million on the pcp primarily due to Destination Gold Coast Investments Pty Ltd, which is the joint venture that completed the sale of the Sheraton Grand Mirage Gold Coast in November 2023. This sale resulted in a gain, of which the Group's share is $22.9 million (refer to note A7).

Parent Company Guarantees over associate and joint venture entity debt facilities
The Group has guaranteed debt facilities held by:

- Destination Brisbane Consortium: the guarantee covers 50% of the facility (of which $1.5 billion is outstanding at 30 June 2024) (refer to note E1).
- Destination Gold Coast Consortium Pty Ltd: the guarantee covers up to 46.3% of the $309.5 million in facilities.

For those investments considered material to the Group, further information is provided below:

(i) DESTINATION BRISBANE CONSORTIUM INTEGRATED RESORT HOLDINGS PTY LTD

The Group has partnered with Hong Kong-based organisations CTFE and FECI to form DBC for the Queen's Wharf Brisbane Project. The parties have formed two vehicles (the Integrated Resort Joint Venture and the Residential Joint Venture), which together are responsible for completing the Queen's Wharf Brisbane project.

Consistent with the ownership structure, the Group will contribute 50% of the capital to the development of the entertainment and leisure destination and act as the casino operator under a long dated casino management agreement. CTFE and FECI will each contribute 25% of the capital to the development of the entertainment and leisure destination. The Group's interest is accounted for using the equity method. CTFE and FECI will each contribute 50% of the capital to undertake the residential and related components of the broader Queen's Wharf Brisbane development. The Group is not a party to the residential apartments development joint venture.

The initial stage of The Star Brisbane opened to the public on 29 August 2024 and includes the main gaming floor and premium gaming rooms, The Star Grand Hotel, Event Centre, Sky Deck, Neville Bonner pedestrian bridge, public realm, carpark and certain food and beverage outlets. Further food and beverage venues and the leisure deck will open progressively throughout FY25. The Dorsett and Rosewood hotels are expected to open in late calendar year 2026.

Total project costs for DBC's development of the entertainment and leisure destination are expected to be $2.9 billion. The majority of these cost over-runs are to be funded via additional equity contributions in proportion with the existing joint venture interests.

Commitments and contingent liabilities
DBC has current capital commitments of $672.9 million (2023: $690.5 million) for the DBC Integrated resort. There were no contingent liabilities at 30 June 2024.

Summarised financial information
The financial statements of the associate is prepared for the same reporting period as the Group and follow the same accounting policies of the Group.

	2024 $m	2023 $m
Balance sheet		
Cash and cash equivalents	68.8	99.7
Total current assets excluding cash and cash equivalents	70.1	48.0
Total non current assets	2,625.1	2,371.8
Total current liabilities	(138.8)	(109.8)
Total non current liabilities	(1,382.5)	(1,259.1)
Net assets	1,242.7	1,150.6
Reconciliation to investment carrying amount:		
Carrying amount at the beginning of the year	535.3	538.6
Equity contributions	74.5	-
Share of loss for the period	(7.6)	(3.3)
Impairment	(602.2)	-
Carrying amount at the end of the year	-	535.3
Income statement		
Depreciation and amortisation expense	(2.0)	(2.0)
Operating expenses	(13.3)	(4.5)
Loss before tax	(15.3)	(6.5)
Income tax benefit	-	-
Loss for the year (continuing operations)	(15.3)	(6.5)
Total comprehensive loss for the year (continuing operations)	(15.3)	(6.5)
Group's share of loss for the year	(7.6)	(3.3)

(ii) DESTINATION GOLD COAST INVESTMENTS PTY LTD

On 20 October 2016, a 50% interest was acquired in Destination Gold Coast Investments Pty Ltd (***DGCI***). DGCI is a joint venture with CTFE and FECI, previously involved in the operation of the Sheraton Grand Mirage Resort, Gold Coast. On 3 November 2023, DGCI completed the sale of the Sheraton Grand Mirage Resort for $192.0 million. Sale proceeds were initially used to repay external debt, with the remaining balance loaned to the unitholders until such time as the final distributions are completed. $55.9 million was loaned to the Group in November 2023, while a further $9.4 million was loaned in July 2024. The Group's interest is accounted for using the equity method.

The Securityholders' Deed for Destination Gold Coast Investments Pty Ltd requires unanimous consent for each Board resolution. Due to the unanimous requirement for decisions, each party has joint control of the entity. The entity is designed to exist on its own and the Deed does not grant the rights to assets and liabilities directly to the Group. The investment has therefore been classified as a joint venture.

Commitments and contingent liabilities
The joint venture had no capital commitments as at 30 June 2024 (2023: nil). There were no other contingent liabilities.

Summarised financial information
The financial statements of the joint venture are prepared for the same reporting period as the Group and follow the same accounting policies of the Group.

	2024 $m	2023 $m
Balance sheet		
Cash and cash equivalents	12.0	8.9
Total current assets excluding cash and cash equivalents	119.0	147.9
Total non current assets	-	-
Total current liabilities	-	(72.3)
Total non current liabilities - financial liabilities	-	-
Other non current liabilities	-	(11.1)
Net assets	131.0	73.4
Reconciliation to investment carrying amount:		
Carrying amount at the beginning of the year	36.7	36.1
Share of profit for the period	28.9	0.6
Carrying amount at the end of the year	65.6	36.7
Income statement		
Revenue	65.3	56.7
Interest expense	(1.6)	(3.1)
Depreciation and impairment expense	-	(2.5)
Operating expenses	(16.7)	(49.1)
Profit before tax	47.0	2.0
Income tax benefit/(expense)	41.0	(0.6)
Profit for the year (continuing operations)	88.0	1.4
Total comprehensive profit for the year (continuing operations)	88.0	1.4
Group's share of profit for the year	28.9	0.6

(iii)DESTINATION GOLD COAST CONSORTIUM PTY LTD
On 22 November 2016, a 33.3% interest was acquired in Destination Gold Coast Consortium Pty Ltd (*DGCC*). DGCC is a joint venture with CTFE and FECI for the purpose of constructing a new residential and hotel tower in Gold Coast. The Group's interest is accounted for using the equity method.

Commitments and contingent liabilities
DGCC has current capital commitments of $70.4 million (2023: $102.4 million) in relation to Tower 2. There were no other contingent liabilities.

Summarised financial information

The financial statements of the joint venture are prepared for the same reporting period as the Group and follow the same accounting polices of the Group.

	2024 $m	2023 $m
Balance sheet		
Cash and cash equivalents	25.3	48.6
Total current assets excluding cash and cash equivalents	88.7	85.4
Total non current assets	518.1	473.3
Total current liabilities	(162.4)	(102.9)
Total non current liabilities	(210.1)	(242.2)
Net assets	259.6	262.2
Reconciliation to investment carrying amounts:		
Carrying amount at the beginning of the year	76.4	73.6
Share of (loss)/profit for the period	(1.7)	5.5
Share of equity contributions for the Group	9.8	17.9
Distributions received	(8.9)	(21.8)
Other	-	1.2
Carrying amount at the end of the year	75.6	76.4
Income statement		
Revenue and other income	56.2	117.4
Operating expenses	(47.9)	(92.1)
Depreciation and amortisation expense	(5.3)	(5.3)
Finance costs	(7.9)	(3.5)
(Loss)/profit before tax	(4.9)	16.5
Income tax expense	-	-
(Loss)/profit for the year (continuing operations)	(4.9)	16.5
Total comprehensive (loss)/profit for the year (continuing operations)	(4.9)	16.5
Group's share of (loss)/profit for the year	(1.7)	5.5

Significant accounting policies

The following accounting policy is unique to DGCC's accounting within the Group.

Apartment sales revenue

Revenue in respect of the development project is recognised upon fulfillment of all performance obligations on a contract. The revenue is measured at the transaction price agreed under the contract. Payment is received on actual settlement of individual units when risk and benefits of ownership are transferred to the customer.

E RISK MANAGEMENT

E1 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash, short-term deposits and Australian denominated bank loans.

The main purpose of these financial instruments is to provide funding for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations, and financial guarantee contracts, which support the ongoing viability of associates and joint ventures. Derivative transactions can also be entered into by the Group, being interest rate swaps, cross currency swaps and forward currency contracts, the purpose being to manage interest rate and currency risks arising from the Group's operations and sources of finance.

The Group's risk management policy is carried out by the Group Treasury function under the Group Treasury Policy approved by the Board. Group Treasury reports regularly to the Board on the Group's risk management activities and compliance with policies. It is, and has been throughout the period, the Group's policy that no speculative trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk.

Details of significant accounting policies and methods adopted, including criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument, are disclosed in note G.

Interest rate risk
The Group manages interest rate risk by using a floating versus fixed rate debt framework. The relative mix of fixed and floating interest rate exposure is managed through: utilising assets which receive a floating rate of interest to provide a natural hedge; the issuance of both fixed rate and floating rate debt; or by using interest rate swap (***IRS***) contracts. At 30 June 2024, 76.4% of the Group's borrowings are naturally hedged by cash in bank, short term deposits and restricted cash. Historically, the Group managed its cash flow interest rate risk by using floating-to-fixed interest rate swap contracts.

Credit risk
Credit risk on financial assets which have been recognised on the balance sheet, is the carrying amount less any allowance for non recovery. The Group minimises credit risk via adherence to a strict credit risk management policy. Collateral is not held as security.

Customer credit risk
Credit risk in trade receivables is managed in the following ways:

- The provision of non gaming credit is covered by a risk assessment process for customers using the Credit Reference Association of Australia, bank opinions and trade references; and
- The provision of cheque cashing facilities for casino gaming patrons was ceased on 7 December 2022. Gaming patron cheque cashing facilities issued prior to this date remain, however have been fully provided for (refer to note B2).

Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is carefully managed and controlled.

Financial institution credit risk
Credit risk arising from other financial assets of the Group, which comprise cash, cash equivalents and derivative contracts, is reduced by transacting with relationship banks that have acceptable credit ratings, as determined by a recognised ratings agency.

Cash investments, derivative financial instruments, bank guarantees, and other contingent instruments create credit risk in relation to the relevant counterparties, which are principally large relationship banks. As such, there is a low level of credit risk.

The maximum counterparty credit exposure on forward currency and cross currency swaps is the fair value amount that the Group receives when settlement occurs, should the counterparty fail to pay the amount which it has committed to pay the Group. The credit risk on interest rate hedges is limited to the positive mark to market amount to be received from counterparties over the life of contracts that are favourable to the Group. The Group's maximum credit risk exposure in respect of interest rate swap contracts, cross currency swap contracts and forward currency contracts is nil as at 30 June 2024, as detailed in note E2.

Credit risk includes liabilities under financial guarantees
For financial guarantee contract liabilities, the fair value at initial recognition is determined using a probability weighted discounted cash flow approach. The expected loss of the financial guarantee contract liabilities is assessed as nil (2023: nil). Details of the financial guarantee contracts are outlined below.

Fixed and floating charges
The controlled entities denoted (b) in note D1 have provided the NICC with a fixed and floating charge over all of the assets and undertakings of each company to secure payment of all monies and the performance of all obligations which they have to the NICC.

Guarantees and indemnities
The controlled entities denoted (b) in note D1 have entered into a guarantee and indemnity agreement in favour of ILGA whereby all parties to the agreement are jointly and severally liable for the performance of the obligations and liabilities of each company participating in the agreement with respect to agreements entered into and guarantees given.

The controlled entities denoted (d) in note D1 have secured the $450.0 million syndicated facility with a first charge over their assets.

The Group has provided a guarantee to the debt providers of its associates and joint ventures:

- Destination Brisbane Consortium: the guarantee covers 50% of the SFA G&E facility (of which $1.5 billion is outstanding at 30 June 2024) (see below); and
- Destination Gold Coast Consortium: the guarantee covers up to 46.3% of the $309.5 million in facilities.

The Company has secured the $450.0 million syndicated facility with a first charge over its assets (refer to note E1). In 2023, the Company had also guaranteed the customer loans of EEI Services (Hong Kong) Limited[1], for which $12.0 million was recognised in current liabilities. The Group also had bank guarantees of $67.3 million (2023: $58.8 million), comprising $29.5 million for The Star Entertainment Finance Limited (2023: $21.3 million) and $37.8 million for DBC (2023: $37.5 million) (separate to the guarantee of debt above) (refer to note E1).

[1] The EEI Services (Hong Kong) Limited office has been closed. The guarantee amount no longer remains as the outstanding customer loans have been completed.

DBC Financing Arrangements
The Company and its joint venture partners Chow Tai Fook Enterprises Limited (***CTFE***) and Far East Consortium International Limited (***FECI***) entered into debt facility agreements in 2020 in relation to DBC's $1.6 billion project-level debt funding. The aggregate amount outstanding is $1.5 billion at 30 June 2024 (***DBC Funding***). The DBC Funding comprises two equal facilities, drawn approximately equally, separately provided under a Gaming and Entertainment syndicated facility agreement (***SFA G&E***) and a Tourism and Leisure syndicated facility agreement (***SFA T&L***). Amounts outstanding under the SFA G&E are guaranteed by the Company and amounts outstanding under the SFA T&L are guaranteed by CTFE and FECI. The two facilities are cross-collateralised against the property leases.

DBC's ability to refinance its debt on reasonable terms as it becomes due in December 2025 or to repay the debt, its ability to raise further finance, and its borrowing costs will depend on a range of factors including, but not limited to, prevailing market conditions and DBC's operating performance at the time any refinancing takes place. If DBC is unable to refinance its debt obligations, or to do so on reasonable terms, this may have an adverse impact on the financial position and performance of the Group, in particular in circumstances where the Company is required to contribute additional equity to the joint venture as part of any financing or the Company's SFA G&E guarantee is called upon.

Liquidity risk
Liquidity risk arises from the financial liabilities of the Group and the Group's subsequent ability to meet its obligations to repay its financial liabilities as and when they fall due. At 30 June 2024, the Group faces significant near-term liquidity requirements (refer to note G), including: funding of the Group's operations at current trading levels; ongoing transformation and remediation related activities; joint venture equity contributions, particularly DBC (refer to note C1); and anticipated outflows associated with ongoing regulatory matters (refer to note B7). A range of initiatives and other measures have been identified and are in the process of being implemented to improve business performance across both revenue generation and costs, including the execution of a new debt facility on 25 September 2024 (refer to note C2).

The Group manages liquidity risk through maintaining sufficient cash and adequate amount of undrawn committed credit facilities to be held above the forecast requirements of the business. The Group manages liquidity risk centrally by monitoring cash flow forecasts and maintaining adequate cash reserves and debt facilities. The debt portfolio is periodically reviewed to ensure there is funding flexibility across an appropriate maturity profile. Refer to notes B8 and E2 for maturity of financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

The contractual timing of cash flows on derivatives and non-derivative financial assets and liabilities at the reporting date, including drawn borrowings and estimated interest, are set out in the tables below:

(i) NON-DERIVATIVE FINANCIAL INSTRUMENTS

	2024			2023		
	< 1 year $m	1 - 5 years $m	> 5 years $m	< 1 year $m	1 - 5 years $m	> 5 years $m
Financial assets						
Cash on hand and at bank	87.0	-	-	79.2	-	-
Short term deposits	212.6	-	-	9.5	-	-
Trade and other receivables	31.5	-	-	20.8	-	-
	331.1	-	-	109.5	-	-
Financial liabilities						
Trade and other payables	176.1	-	-	182.0	-	-
Bank loans - unsecured	35.1	385.8	-	26.1	368.7	-
Lease liabilities	8.7	23.7	68.1	8.8	29.2	69.6
USPP notes	-	-	-	37.6	409.0	62.3
	219.9	409.5	68.1	254.5	806.9	131.9
Net outflow	111.2	(409.5)	(68.1)	(145.0)	(806.9)	(131.9)

(ii) DERIVATIVE FINANCIAL INSTRUMENTS

	2024			2023		
	< 1 year $m	1 - 5 years $m	> 5 years $m	< 1 year $m	1 - 5 years $m	> 5 years $m
Financial assets						
Interest rate swaps - receive AUD floating	-	-	-	4.2	1.8	-
Cross currency swaps - receive USD fixed	-	-	-	14.9	339.5	61.4
	-	-	-	19.1	341.3	61.4
Financial liabilities						
Interest rate swaps - pay AUD fixed	-	-	-	1.5	1.0	-
Cross currency swaps - pay AUD floating	-	-	-	4.8	76.4	-
Cross currency swaps - pay AUD fixed	-	-	-	13.1	226.3	56.2
	-	-	-	19.4	303.7	56.2
Net (outflow)/inflow	-	-	-	(0.3)	37.6	5.2

For floating rate instruments, the amount disclosed is determined by reference to the interest rate at the last repricing date. For foreign currency receipts and payments, the amount disclosed is determined by reference to the AUD/USD rate at balance sheet date.

(iii) FINANCIAL INSTRUMENTS - SENSITIVITY ANALYSIS

Interest rates - AUD and USD

The following sensitivity analysis is based on interest rate risk exposures in existence at year end.

At 30 June, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and other comprehensive income would have been affected as follows:

2024	Net profit after tax higher/(lower) $m	Other comprehensive income higher/(lower) $m
AUD		
+ 0.5% (50 basis points)	(0.2)	-
- 0.5% (50 basis points)	0.2	-
2023		
AUD		
+ 0.5% (50 basis points)	(2.0)	5.2
- 0.5% (50 basis points)	2.0	(5.3)
USD		
+ 0.5% (50 basis points)	-	(6.2)
- 0.5% (50 basis points)	-	6.3

The movements in profit are due to higher/lower interest costs from variable rate debt and investments. The movement in other comprehensive income is due to an increase/decrease in the fair value of financial instruments designated as cash flow hedges. The numbers derived in the sensitivity analysis are indicative only. Significant assumptions used in the interest rate sensitivity analysis include:

- reasonably possible movements in interest rates were determined based on the Group's current credit rating and mix of debt; and
- price sensitivity of derivatives is based on a reasonably possible movement of spot rates at the balance sheet dates.

Foreign Exchange

The following sensitivity analysis is based on foreign currency risk exposures in existence at the balance sheet date. At 30 June, had the AUD moved, as illustrated in the table below, with all other variables held constant, post tax profit and other comprehensive income would have been affected as follows:

Judgements of reasonably possible movements:

	Net profit after tax higher/(lower) 2024 $m	Other comprehensive income higher/(lower) 2024 $m	Net profit after tax higher/(lower) 2023 $m	Other comprehensive income higher/(lower) 2023 $m
AUD/USD + 10 cents	-	-	1.1	(0.8)
AUD/USD - 10 cents	-	-	(1.6)	1.1

The movement in other comprehensive income is due to an increase/decrease in the fair value of financial instruments designated as cash flow hedges. Management believes the balance sheet date risk exposures are representative of the risk exposure inherent in the financial instruments. The numbers derived in the sensitivity analysis are indicative only.

Significant assumptions used in the foreign currency exposure sensitivity analysis include:

- reasonably possible movements in foreign exchange rates were determined based on a review of the last two years' historical movements and economic forecaster's expectations;
- the reasonably possible movement of 10 cents was calculated by taking the USD spot rate as at balance sheet date, moving this spot rate by 10 cents and then re-converting the USD into AUD with the 'new spot-rate'. This methodology reflects the translation methodology undertaken by the Group; and
- price sensitivity of derivatives is based on a reasonably possible movement of spot rates at the balance sheet dates.

E2 ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURES

(i) FAIR VALUES

The fair value of the Group's financial assets and financial liabilities approximates their carrying value as at the balance sheet date.

There are various methods available in estimating the fair value of a financial instrument. The methods comprise:

Level 1	the fair value is calculated using quoted prices in active markets.
Level 2	the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
Level 3	the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

All of the Group's derivative financial instruments are valued using the Level 2 valuation techniques, being observable inputs. There have been no transfers between levels during the year.

Interest rate swaps and cross currency swaps
The fair value of cross currency contracts is calculated as the present value of expected future cash flows of these instruments. Key variables include market pricing data, discount rates and credit risk of the group or counterparty where relevant. Variables reflect those which would be used by the market participants to execute and value the instruments.

Forward currency contracts
Fair value is calculated using forward exchange market rates at the balance sheet date.

USPP
Fair value is calculated using discounted future cash flow techniques, where estimated cash flows and estimated discount rates are based on market data at the balance sheet date, in combination with restatement to current foreign exchange rates.

(ii) FINANCIAL INSTRUMENTS - INTEREST RATE SWAPS

Interest rate swaps were closed in October 2023 in conjunction with the repayment of existing bank loans and prepayment and termination of the USPP notes. In 2023, interest rate swaps met the requirements to qualify for cash flow hedge accounting and were stated at fair value.

These swaps were used to hedge the exposure to variability in cash flows attributable to movements in the reference interest rate of the designated debt or instrument and were assessed as highly effective in offsetting changes in the cash flows attributable to such movements. Hedge effectiveness was measured by comparing the change in the fair value of the hedged item and the hedging instrument respectively each quarter. Any difference represents ineffectiveness and was recorded in the income statement.

The notional principal amounts and periods of expiry of the interest rate swap contracts are as follows:

	2024 $m	2023 $m
Less than one year	-	50.0
One to five years	-	50.0
More than five years	-	-
Notional Principal	-	100.0
Fixed interest rate range p.a.		0.4% - 2.6%

Net settlement receipts and payments were recognised as an adjustment to interest expense on an accruals basis over the term of the swaps, such that the overall interest expense on borrowings reflects the average cost of funds achieved by entering into the swap agreements.

(iii) FINANCIAL INSTRUMENTS - CROSS CURRENCY SWAPS

Cash flow hedges
Cross currency swaps were closed in October 2023 in conjunction with the repayment of existing bank loans and prepayment and termination of the USPP notes. In 2023, cross currency swap contracts were classified as cash flow hedges and were stated at fair value.

These cross currency swaps were being used to hedge the exposure to the cash flow variability in the value of the USD debt under the USPP and were assessed as highly effective in offsetting changes in movements in the forward USD exchange rate. Hedge effectiveness was measured by comparing the change in the fair value of the hedged item and the hedging instrument respectively each quarter. Any difference represents ineffectiveness and was recorded in the income statement.

Fair value hedges
Cross currency swaps were closed in October 2023 in conjunction with the repayment of existing bank loans and prepayment and termination of the USPP notes. In 2023, cross currency swaps were used to hedge the exposure to fair value changes of the USD debt under the USPP as a result of fluctuations in the underlying USD to AUD exchange rate and US interest benchmark and were assessed as highly effective. The decrease in fair value of the cross currency swaps of $3.0 million (2023: $2.4 million increase in value) has been recognised in finance costs, offsetting gains on the USPP borrowings. The ineffectiveness recognised in FY24 was immaterial (2023: immaterial).

The principal amounts and periods of expiry of the cross currency swap contracts are as follows:

	2024		2023	
	AUD $m	USD $m	AUD $m	USD $m
Less than one year	-	-	-	-
One to five years	-	-	250.3	195.4
More than five years	-	-	54.2	40.4
Notional principal	-	-	304.5	235.8
Fixed interest rate range p.a.				3.2% - 4.4%

The terms and conditions in relation to interest rate and maturity of the cross currency swaps were similar to the terms and conditions of the underlying hedged USPP borrowings as set out in note B8.

(iv) RECONCILIATION OF MOVEMENT IN FINANCING ACTIVITIES

	Opening	Cash flows	Changes in fair values	Foreign exchange movement	Debt modification	Net loss on settlement	Borrowing costs	Closing
	$m	$m	$m	$m	$m	$m	$m	$m
2024								
Interest bearing liabilities (excluding lease liabilities) (refer to note B8)	(720.4)	434.2	3.0	(16.5)	8.0	(8.3)	30.4	**(269.6)**
Net derivative assets (refer to note B3)	36.2	(49.7)	13.5	-	-	-	-	-
2023								
Interest bearing liabilities (excluding significant items) (refer to note B8)	(1,289.6)	603.1	(2.4)	(12.1)	(10.9)	(8.1)	(0.4)	(720.4)
Net derivative assets (refer to note B3)	58.6	(20.5)	(1.9)	-	-	-	-	36.2

	Opening	Cash flows	Interest	Transition	Additions	Other	Disposals	Closing
	$m	$m	$m	$m	$m	$m	$m	$m
2024								
Lease liabilities (refer to note B8)	(36.8)	7.9	(2.9)	-	-	-	(0.4)	**(32.2)**
2023								
Lease liabilities (refer to note B8)	(42.9)	9.2	(3.1)	-	-	-	-	(36.8)

F OTHER DISCLOSURES

F1 OTHER COMPREHENSIVE INCOME

	2024 $m	2023 $m
Net gain/(loss) on derivatives	8.2	(9.3)
Tax on above items recognised in other comprehensive income	(2.4)	2.8
	5.8	(6.5)

a All derivatives were closed in October 2023 in conjunction with the repayment of existing bank loans and prepayment and termination of the USPP notes. The cash flow hedge reserve was released to the income statement.

F2 INCOME TAX

(i) INCOME TAX BENEFIT

	2024 $m	2023 $m
The major components of income tax benefit is:		
Current tax benefit/(expense)	31.3	22.4
Adjustments in respect of current income tax of previous years	5.5	6.5
Deferred income tax (expense)/benefit	(189.7)	298.9
Income tax (expense)/benefit reported in the income statement	(152.9)	327.8
Aggregate of current and deferred tax relating to items charged or credited to equity:		
Current tax benefit reported in equity	-	0.6
Deferred tax benefit/(expense) reported in equity	2.2	9.3
Income tax benefit/(expense) reported in equity	2.2	9.9
Income tax benefit		
A reconciliation between income tax benefit and the product of accounting profit before income tax multiplied by the income tax rate is as follows:		
Accounting loss before income tax benefit	**(1,531.7)**	(2,763.0)
At the Group's statutory income tax rate of 30%	**459.5**	828.9
- Non deductible goodwill impairment	**(44.4)**	(361.3)
- Non assessable gain on sale	**-**	10.3
- Recognition/(derecognition) of temporary differences	**(564.2)**	(2.6)
- Non deductible expenses	**(5.0)**	(149.0)
- Over provision in prior years	**1.2**	1.5
Aggregate income tax expense	**(152.9)**	327.8
Effective income tax rate	(10.0)%	(11.9)%

(ii) DEFERRED TAX BALANCES

The balance comprises temporary differences attributable to:

2024	Balance 1 July 2023 $m	Recognised in the income statement $m	Recognised directly in equity $m	Other $m	Balance 30 June 2024 $m
Property, plant and equipment	93.9	141.2	-	-	235.1
Intangible assets	27.8	9.9	-	-	37.7
Employee provisions	23.8	1.3	-	-	25.1
Other provisions and accruals	23.7	13.2	-	-	36.9
Impairment of trade receivables	9.9	-	-	-	9.9
Unrealised financial liabilities	18.9	(16.6)	(2.4)	-	(0.1)
Finance leases	11.4	(1.4)	-	-	10.0
Other	6.0	197.0	4.6	-	207.6
Tax losses	28.2	6.1	-	(3.0)	31.3
Deferred tax assets (DTA) set off	243.6	350.7	2.2	(3.0)	593.5
Intangible assets	(33.0)	22.6	-	-	(10.4)
Property, plant and equipment	(6.5)	3.7	-	-	(2.8)
Unrealised financial assets	(11.9)	12.0	-	-	0.1
Other	(1.8)	(14.4)	-	-	(16.2)
	(53.2)	23.9	-	-	(29.3)
Derecognition of DTA balances[a]	-	(564.2)	-	-	(564.2)
Net deferred tax assets	190.4	(189.6)	2.2	(3.0)	-

a DTA's, including $31.3 million of tax losses, have been derecognised as they no longer meet the recognition criteria.

2023	1 July 2022				30 June 2023
Property, plant and equipment	-	93.9	-	-	93.9
Intangible assets	-	27.8	-	-	27.8
Employee provisions	30.1	(6.3)	-	-	23.8
Other provisions and accruals	17.3	6.4	-	-	23.7
Impairment of trade receivables	11.2	(1.3)	-	-	9.9
Unrealised financial liabilities	18.6	(2.8)	3.1	-	18.9
Finance Leases	13.3	(1.9)	-	-	11.4
Other	7.9	(8.4)	6.5	-	6.0
Tax losses	-	5.1	-	23.1	28.2
Deferred tax assets set off	98.4	112.5	9.6	23.1	243.6
Intangible assets	(54.7)	21.7	-	-	(33.0)
Property, plant and equipment	(144.5)	138.0	-	-	(6.5)
Unrealised financial assets	(19.3)	7.7	(0.3)	-	(11.9)
Other	(20.8)	19.0	-	-	(1.8)
	(239.3)	186.4	(0.3)	-	(53.2)
Net deferred tax (liabilities)/assets	(140.9)	298.9	9.3	23.1	190.4

(iii)TAX CONSOLIDATION

Effective June 2011, The Star Entertainment Group Limited (the Head Company) and its 100% owned subsidiaries formed an income tax consolidation group. Members of the tax consolidation group entered into a tax sharing arrangement that provides for the allocation of income tax liabilities between the entities should the Head Company default on its tax payment obligations. At balance date, the possibility of default is remote.

Tax effect accounting by members of the tax consolidation group

Members of the tax consolidation group have entered into a tax funding agreement effective June 2011. Under the terms of the tax funding agreement, the Head Company and each of the members in the tax consolidation group have agreed to make a tax equivalent payment to or from the Head Company, based on the current tax liability or current tax asset of the member. Deferred taxes are recorded by members of the tax consolidation group in accordance with the principles of AASB 112 'Income Taxes'. Calculations under the tax funding agreement are undertaken for statutory reporting purposes.

The allocation of taxes under the tax funding agreement is recognised as either an increase or decrease in the subsidiaries' intercompany accounts with the Head Company. The Group has chosen to adopt the Group Allocation method as outlined in Interpretation 1052 'Tax Consolidation Accounting' as the basis to determine each members' current and deferred taxes. The Group Allocation method as adopted by the Group will not give rise to any contribution or distribution of the subsidiaries' equity accounts as there will not be any differences between the current tax amount that is allocated under the tax funding agreement and the amount that is allocated under the Group Allocation method.

(iv) INCOME TAX PAYABLE

The balance of income tax payable is the net of current tax and tax instalments/refunds during the year. A current tax liability arises where current tax exceeds tax instalments paid and a current tax receivable arises where tax instalments paid exceed current tax.

The income tax (payable)/receivable balance is attributable to:

2024	Receivable 1 July 2023 $m	Increase in tax receivable $m	Tax instalment refunded $m	Over provision of tax $m	Other $m	Receivable 30 June 2024 $m
Tax consolidated group - year ended 30 June 2024 [a]	-	-	-	-	-	-
Tax consolidated group - year ended 30 June 2023 [b]	16.4	23.3	-	-	-	39.7
Prior years [c]	14.4	10.9	(14.6)	5.5	0.1	16.3
Total Australia	30.8	34.2	(14.6)	5.5	0.1	56.0
Overseas subsidiaries	-	-	-	-	-	-
Total	30.8	34.2	(14.6)	5.5	0.1	56.0

a No instalments paid due to carried forward losses.

b The 1 July 2023 receivable balance relates to refundable tax instalments and the increase in tax receivable relates to loss carry back amendments recognised in 2024.

c The receivable balance relates to depreciation deductions for capital projects and the increase in tax receivable relates to loss carry back amendments recognised in 2024.

2023	(Payable)/ receivable 1 July 2022 $m	Increase in tax payable $m	Tax instalment paid $m	Over provision of tax $m	Other $m	Receivable 30 June 2023 $m
Tax consolidated group - year ended 30 June 2023	-	-	16.4	-	-	16.4
Tax consolidated group - year ended 30 June 2022	(1.7)	-	3.5	1.7	-	3.5
Prior years [a]	6.0	-	-	5.0	(0.1)	10.9
Total Australia	4.3	-	19.9	6.7	(0.1)	30.8
Overseas subsidiaries	0.1	-	0.1	(0.2)	-	-
Total	4.4	-	20.0	6.5	(0.1)	30.8

a The receivable balance relates to depreciation deductions for capital projects.

F3 LOSS PER SHARE

	2024 $m	2023 $m
Net loss after tax attributable to ordinary shareholders	(1,684.6)	(2,435.2)
Basic loss per share (cents per share)	(66.8)	(211.7)
Diluted loss per share (cents per share)	(66.8)	(211.7)

	2024 Number	2023 Number
Weighted average number of shares used as the denominator		
Number of ordinary shares issued at the beginning of the year	1,616,195,845	950,118,767
Adjustment for issue of new share capital on 6 October 2023 [a]	680,535,539	-
Adjustment for issue of new share capital on 19 October 2023 [b]	226,669,736	-
Adjustment for issue of new share capital on 7 March 2023 [c]	-	135,723,473
Adjustment for issue of new share capital on 20 March 2023 [d]	-	65,920,550
Movement in treasury shares	275,977	(1,602,749)
Weighted average number of shares used as the denominator	2,523,677,097	1,150,160,041
Adjustment for calculation of diluted earnings per share:		
Adjustment for Performance Rights	-	-
Weighted average number of ordinary shares and potential ordinary shares as used as the denominator in calculating diluted earnings per share at the end of the year	2,523,677,097	1,150,160,041

[a] On 6 October 2023, the Group issued 925,933,112 shares for the private placement to institutional investors under the accelerated non-renounceable entitlement offer. The capital raising is after $8.0 million of costs, net of tax.

[b] On 19 October 2023, the Group issued 324,066,888 new shares for retail component of the accelerated non-renounceable entitlement offer. The capital raising is after $2.8 million of costs, net of tax.

[c] On 7 March 2023, the Group issued 430,774,501 new shares for private placement to institutional investors under the accelerated non-renounceable entitlement offer. The capital raising is after $9.7 million of costs, net of tax.

[d] On 20 March 2023, the Group issued 235,892,166 new shares for retail component of the accelerated non-renounceable entitlement offer (including shares issued to CTFE and FECI under the placement and institutional entitlement offer, in accordance with the retail entitlement offer timetable). The capital raising is after $5.3 million of costs, net of tax.

40,201 performance rights (2023: 430,985) could potentially dilute basic earnings per share in the future, but were not included in the calculation above because they are antidilutive for the period presented.

F4 OTHER ASSETS

	2024 $m	2023 $m
Current		
Prepayments	38.5	43.0
Other assets	48.9	50.7
	87.4	93.7
Non current		
Rental paid in advance	0.8	0.8
Other assets	17.2	25.9
	18.0	26.7

F5 TRADE AND OTHER PAYABLES

	2024 $m	2023 $m
Trade creditors and accrued expenses	176.1	182.0
Interest payable	4.3	2.9
	180.4	184.9

F6 OTHER LIABILITIES

	2024 $m	2023 $m
Current		
Sale proceeds loaned from DGCI	55.9	-
Customer loyalty deferred revenue [a]	16.2	16.3
Other deferred revenue	1.9	2.3
Other	1.2	-
	75.2	18.6
Non current		
Other	8.8	11.1
	8.8	11.1

a The Group operates customer loyalty programs enabling customers to accumulate award credits for gaming and on-property spend. A portion of the spend, equal to the fair value of the award credits earned, is treated as deferred revenue, and recognised in the income statement when the award is redeemed or expires.

F7 SHARE CAPITAL AND RESERVES

(i) SHARE CAPITAL

There is only one class of shares (ordinary shares) on issue. These ordinary shares entitle the holder to participate in dividends and proceeds on winding up of the Company, in proportion to the number and amounts paid on the shares held. On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. The Company does not have authorised capital nor par value in respect of its issued shares

	Share capital		Treasury shares		Net outstanding	
	Shares	$m	Shares	$m	Shares	$m
Opening balance 1 July 2023	1,618,680,877	3,962.9	(2,485,032)	(7.3)	1,616,195,845	3,955.6
Issue of share capital (net of tax) - 6 October 2023 [a]	925,933,112	547.6	-	-	925,933,112	547.6
Issue of share capital (net of tax) - 19 October 2023 [b]	324,066,888	191.6	-	-	324,066,888	191.6
Shares issued to settle employee share programs	-	-	340,133	0.9	340,133	0.9
Closing balance 30 June 2024	2,868,680,877	4,702.1	(2,144,899)	(6.4)	2,866,535,978	4,695.7

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

	Share capital		Treasury shares		Net outstanding	
	Shares	$m	Shares	$m	Shares	$m
Opening balance 1 July 2022	952,014,210	3,177.9	(1,895,443)	(6.9)	950,118,767	3,171.0
Issue of share capital (net of tax) - 7 March 2023 [c]	430,774,501	507.2	-	-	430,774,501	507.2
Issue of share capital (net of tax) - 20 March 2023 [d]	235,892,166	277.8	-	-	235,892,166	277.8
Shares purchased for future employee share programs	-	-	(2,255,061)	(6.4)	(2,255,061)	(6.4)
Shares issued to settle employee share programs	-	-	1,665,472	6.0	1,665,472	6.0
Closing balance 30 June 2023	1,618,680,877	3,962.9	(2,485,032)	(7.3)	1,616,195,845	3,955.6

[a] On 6 October 2023, the Group issued 925,933,112 shares for the private placement to institutional investors under the accelerated non-renounceable entitlement offer. The capital raising is after $8.0 million of costs, net of tax.

[b] On 20 March 2023, the Group issued 235,892,166 new shares for retail component of the accelerated non-renounceable entitlement offer. The capital raising is after $5.3 million of costs, net of tax.

[c] On 7 March 2023, the Group issued 430,774,501 new shares for private placement to institutional investors under the accelerated non-renounceable entitlement offer. The capital raising is after $9.7 million of costs, net of tax.

[d] On 20 March 2023, the Group issued 235,892,166 new shares for retail component of the accelerated non-renounceable entitlement offer (including shares issued to CTFE and FECI under the placement and institutional entitlement offer, in accordance with the retail entitlement offer timetable). The capital raising is after $5.3 million of costs, net of tax.

(ii) RESERVES (NET OF TAX)

	2024	2023
	$m	$m
Hedging reserve [a]	-	(8.2)
Cost of hedging reserve [b]	-	2.4
Share based payments reserve [c]	9.6	8.6
	9.6	2.8

Nature and purpose of reserves

a The hedging reserve records the spot element of fair value changes on the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge.

b The spot element of derivative contracts are designated as hedging instruments with fair value changes recorded in the hedging reserve. The forward element is recognised in other comprehensive income and accumulated in a separate component of equity under costs of hedging reserve.

c The share based payments reserve is used to recognise the value of equity settled share based payment transactions provided to employees, including Key Management Personnel as part of their remuneration. Refer to note F9 for further details on these plans.

(iii) CAPITAL MANAGEMENT

The Group's objectives when managing capital are to ensure the Group continues as a going concern while providing optimal returns to shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends to be paid to shareholders, return capital to shareholders or issue new shares. Gearing is managed primarily through the ratio of net debt to earnings before interest, tax, depreciation, amortisation, impairment, significant items and share of the net loss of associate and joint venture entities.

The Group’s capital management also aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowings that define capital structure requirements. There have been no breaches of the financial covenants of any interest bearing loans and borrowings in the current period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

	2024 $m	2023 $m
Gross Debt	301.8	757.2
Net Debt [a]	-	595.5
EBITDA (before significant items) [b]	174.7	317.4
Gearing ratio (times) [c]	2.7 x	1.9 x

a Net debt is shown as interest bearing liabilities (excluding lease liabilities), less cash and cash equivalents, less net position of derivative financial instruments.

b EBITDA (before significant items) is a non-IFRS disclosure and stands for earnings before interest, tax, depreciation, amortisation, impairment, significant items and share of profits / losses from joint ventures.

c At 30 June 2024 the Group is in a net cash position.

F8 RECONCILIATION OF NET PROFIT AFTER TAX TO NET CASH INFLOWS FROM OPERATIONS

	Note	2024 $m	2023 $m
Net loss after tax		(1,684.6)	(2,435.2)
- Depreciation, amortisation and impairment	A4	1,533.8	2,348.4
- Employee share based payments expense	F9	1.7	2.6
- Gain on disposal of property, plant and equipment		-	(0.8)
- Finance costs	A5	68.0	110.8
- Share of net profit of associate and joint venture entities	D5	(19.7)	(5.4)
- Gain on disposal of aircraft		-	-
Working capital changes			
- Increase in trade and other receivables and other assets		(6.5)	(10.7)
- Decrease in inventories		1.3	1.3
- (Decrease)/increase in trade and other payables, accruals and provisions		(15.5)	380.7
- Decrease in tax provisions		167.5	(347.9)
Net cash inflow from operating activities		46.0	43.8

Operating cash flow before interest and tax was $22.4 million, down 64.4% on the pcp. The EBITDA to cash conversion ratio was 26%, primarily due to material regulatory and legal cost payments made that had been accrued in the pcp.

F9 EMPLOYEE SHARE PLANS

Long term incentive plan

During the current and prior periods, the Company issued Performance Rights and Premium Exercised Price Options under the long term incentive plan to eligible employees. The share based payment credit of $0.2 million (2023: $0.3 million) in respect of the equity instruments granted is recognised in the income statement.

The number of Performance Rights granted to employees and forfeited or lapsed during the year are set out below.

2024 Grant Date	Balance at start of year	Granted during the year	Forfeited during the year	Lapsed during the year [a]	Vested during the year	Balance at end of year
25 September 2019	322,821	-	-	322,821	-	-
24 September 2020	650,981	-	258,127	-	-	392,854
23 September 2021	1,220,635	-	859,036	-	-	361,599
26 September 2022	1,842,126	-	1,096,796	-	-	745,330
22 December 2023	-	6,830,545	2,616,200	-	-	4,214,345
	4,036,563	6,830,545	4,830,159	322,821	-	5,714,128

2023 Grant Date	Balance at start of year	Granted during the year	Forfeited during the year [b]	Lapsed during the year	Vested during the year	Balance at end of year
3 October 2018	449,656	-	34,050	415,606	-	-
25 September 2019	611,504	-	288,683	-	-	322,821
24 September 2020	1,101,265	-	450,284	-	-	650,981
23 September 2021	981,505	580,383	341,253	-	-	1,220,635
26 September 2022	-	2,187,492	345,366	-	-	1,842,126
	3,143,930	2,767,875	1,459,636	415,606	-	4,036,563

Grants in FY24 include a market based hurdle (relative total shareholder return (***rTSR***)) and a premium exercised price option (***PEP***). Grants in FY23 and prior include a market based hurdle (rTSR), an earnings per share (***EPS***) component and a return on investment capital (***ROIC***) component. The Performance Rights have been independently valued. For the rTSR and PEP component, valuation was based on a Monte-Carlo simulation model. For the EPS and ROIC component, a discounted cash flow technique was utilised. The EPS and ROIC value does not contain any specific discount for forfeiture if the employee leaves the Group during the vesting period. This adjustment, if required, is based on the number of equity instruments expected to vest at the end of each reporting period.

a Performance rights granted on 25 September 2019 were tested and did not vest. The FY20 grant comprised three performance hurdles (rTSR, EPS and ROIC). None of the performance hurdles were satisfied in respect of the FY20 grant.

b Performance rights granted on 3 October 2018 were tested in the prior year and did not vest. The FY19 grant comprise three performance hurdles (rTSR, EPS and ROIC). None of the performance hurdles were satisfied in respect of the FY20 grant.

The key assumptions underlying the Performance Rights valuations are set out below:

Effective grant date	Test and vesting date	Share price at date of grant $	Expected volatility in share price %	Expected dividend yield %	Risk free interest rate %	Average Fair Value per Performance Right $
25 September 2019	25 September 2023	4.20	22.00 %	- %	0.72 %	3.66
24 September 2020	24 September 2024	3.15	29.00 %	- %	0.26 %	2.76
23 September 2021	23 September 2025	4.35	31.00 %	- %	0.41 %	3.78
26 September 2022	26 September 2026	2.63	32.00 %	- %	3.80 %	2.33
22 December 2023	3 October 2027	0.51	37.00 %	- %	3.67 %	0.26
Premium exercise price options						
22 December 2023	24 November 2027	0.51	36.00 %	- %	3.74 %	0.04

Equity retention plan

Since FY19, the Company has granted restricted shares under the equity retention plan to eligible employees. The share based payment expense of $1.1 million (2023: $2.7 million) in respect of the equity instruments granted is recognised in the income statement. The number of restricted shares granted to employees and forfeited during the year are set out below.

2024	Balance at start of year	Granted during the year	Forfeited during the year	Lapsed during the year	Vested during the year	Balance at end of year
1 July 2023	1,206,889	-	109,979	-	-	1,096,910

2023	Balance at start of year	Granted during the year	Forfeited during the year	Lapsed during the year	Vested during the year	Balance at end of year
1 July 2022	1,149,639	1,639,642	312,306	-	1,270,086	1,206,889

The awards are granted at no cost to participants and are subject to a service condition of five years. Participants are entitled to dividends and may benefit from share price growth over the vesting period.

Executive service rights grant

In July 2023, the Board approved a once-off grant of service rights to each member of the Group Leadership Team. The share based payment expense of $0.6 million (2023: nil) in respect of the equity instruments granted is recognised in the income statement.

The number of restricted shares granted to employees and forfeited during the year are set out below.

2024	Balance at start of year	Granted during the year	Forfeited during the year	Lapsed during the year	Vested during the year	Balance at end of year
1 July 2023	-	8,986,302	4,806,900	-	835,879	3,343,523

The awards are issued at no cost to participants and are in three tranches: Tranche 1, comprising 20% of the award vested 30 June 2024; Tranche 2, comprising 30% of the award vests 30 June 2025; and Tranche 3, comprising 50% of the award vests 30 June 2026. On vesting, all rights are subject to a 12 month holding lock.

Service rights do not attract dividends until shares have been allocated following vesting. Participants will receive any dividends which accrued during the plan period once the vesting conditions have been met. Participants may benefit from share price growth over the vesting period.

Short term incentive plan

In FY24, $0.1 million (2023: $0.2 million) was recognised for the FY22 short term incentive plan, relating to certain executives for whom one third of their eligible award was granted as shares, subject to a 12 month holding lock.

F10 AUDITOR'S REMUNERATION

	2024 $	2023 $
Fees to Ernst & Young (Australia):		
Fees for auditing the statutory financial report of the parent and consolidated group	3,072,328	2,279,588
Fees for other assurance and agreed-upon-procedures services (including sustainability assurance) under contractual arrangements where there is discretion as to whether the service is provided by the auditor	167,750	197,600
Fees for other advisory and compliance services	220,000	58,000
Total fees to Ernst & Young Australia	3,460,078	2,535,188

The auditor of the Company and its controlled entities is Ernst & Young. From time to time, Ernst & Young provides other services to the Group, which are subject to strict corporate governance procedures encompassing the selection of service providers and the setting of their remuneration. The Chair of the Audit Committee (or authorised delegate) must approve any other services provided by Ernst & Young to the Group. The Company's Group Chief Financial Officer has limited delegated authority for the pre-approval of audit and non-audit services proposed by the external auditors, limited to $50,000 per engagement and capped at 40% of the relevant year's audit fee.

G ACCOUNTING POLICIES AND CORPORATE INFORMATION

Significant accounting policies are contained within the financial statement notes to which they relate and are not detailed in this section.

CORPORATE INFORMATION

The Star Entertainment Group Limited (the ***Company***) is a company incorporated and domiciled in Australia. The Financial Report of the Company for the year ended 30 June 2024 comprises the Company and its controlled entities (collectively referred to as the ***Group***). The Company's registered office is Level 3, 159 William Street, Brisbane QLD 4000.

The Company is of the kind specified in A*ustralian Securities and Investments Commission (ASIC) Instrument 2016/191*. In accordance with that Instrument, amounts in the Financial Report and the Directors Report have been rounded to the nearest hundred thousand dollars, unless specifically stated to be otherwise. All amounts are in Australian dollars ($). The Company is a for profit organisation. The Financial Report was authorised for issue by the Directors on 30 September 2024.

BASIS OF PREPARATION

The Financial Report is a general purpose Financial Report which has been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and other mandatory Financial Reporting requirements in Australia. The financial statements comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below and elsewhere in this report. The policies used in preparing the financial statements are consistent with those of the previous year except as indicated under 'Changes in accounting policies and disclosures'.

GOING CONCERN

The following matters, detailed in note B7 create material uncertainty relating to events or conditions that may cast significant doubt upon the Group's ability to continue a going concern:

— The elevated earnings uncertainty arising from the combination of decreasing revenue profile due to a loss of market share across all of the Group's casinos, financial crime remediation activities, the impact of casino operating reforms (including cashless and carded play and safer gambling) on gaming revenues and a softening macroeconomic backdrop; together with an increase in the cost base to execute the Group's uplifted risk and control environment and its compliance with new casino regulations.

— The ability of the Group to return to suitability following the indefinite suspension of the Sydney Casino licence (from 21 October 2022) and the deferred suspension of the Queensland Casino licences for The Star Gold Coast and Treasury Brisbane (from 1 December 2023 to 20 December 2024, noting Treasury Brisbane will surrender its casino licence by 23 October 2024). On 30 August 2024, the NICC provided to the Company and The Star Sydney, a copy of the Bell Two Report which concludes that the Company and The Star Sydney are presently unsuitable to be concerned in, or associated with, the management and operation of The Star Sydney (refer to note B7). A copy of the non-confidential parts of the Bell Two Report was released to the public on the same day. On 13 September 2024, the NICC served a 'show cause' notice (***Notice***) on the Company, requesting a response to the Breach Findings from the Bell Two inquiry. The NICC has also requested information about the Company's current financial position and its plans to address these issues so that it can make informed decisions about the Company's financial suitability to hold the casino licence for The Star Sydney. The Company lodged its response on Friday, 27 September 2024. A range of disciplinary actions are available to the NICC, including among other things, the imposition of a penalty, letter of censure, amendments to the conditions, further suspension, or cancellation, of The Star Sydney's licence. On 1 August 2024, the NICC advised that its request to extend the appointment of the Manager of The Star Sydney by regulation to 31 March 2025 was approved. The Department of Justice and Attorney-General will also have consideration for the Bell Two findings.

— The phased opening of the DBC Queens Wharf Integrated Resort (of which the Group is a 50% shareholder and provides management services) commenced operations on 29 August 2024, including The Star Brisbane casino operations, The Star Grand hotel, the Event Centre, certain food and beverage outlets, the carpark, and the public realm. Additional facilities, including additional restaurants, cafes, and leisure deck amenities, are scheduled to open between September and December 2024. The Rosewood and Dorsett Hotels (comprising an additional 522 rooms) are planned to open by the end of calendar year 2026. The phased opening of a property of this size and scale causes uncertainty in the timeframe it may take for the DBC property's earnings and cashflows to grow to a level where assistance is no longer required from its owners (including the Group). The Group has capital commitments (refer to note C1) in relation to future construction which needs to be funded and has associated risks such as delays and increased costs. DBC will also need to undertake a refinance of its debt facilities in December 2025 and the Group has a guarantee with lenders (refer to note D5).

- The outcomes (magnitude and timing of payments) of various provisions and contingent liabilities, including the AUSTRAC proceeding, historic underpaid casino duty, outstanding class action and any material penalties which may be levied against the Group for regulatory breaches identified in the Bell Two Report or subsequently.

The Group and its lenders executed a commitment letter on 25 September 2024 for a new debt facility (of up to $200 million in two tranches) which will become effective upon completion of long-form documentation and satisfaction of various conditions precedent.

The Group's existing $450 million facility has been reduced to $334 million which is fully drawn.

The new facility comprises two tranches of $100 million each. The first tranche is expected to be available to be drawn, subject to conditions precedent, from the end of October 2024 through to 20 December 2024.

The first tranche is subject to certain conditions precedent being met, including:

- the provision of unsecured guarantees from some of the Group's regulated entities and enhanced security granted to lenders;
- regulatory consents and government approvals as required for guarantees and enhanced security for the lender group;
- the establishment of a disposal proceeds account with a credit balance of an amount representing the net proceeds of the sale of the Treasury Brisbane casino building and any other non-core asset proceeds completed before the draw down; and
- other customary conditions precedent.

The second tranche is subject to more extensive conditions precedent but, if satisfied, would be expected to be available to be drawn from the end of December 2024 and have a 4 month availability period following the drawing of the first tranche.

The conditions precedent for the second tranche drawdown include:

- the receipt of required regulatory consents and finalisation of documentation for the granting to the lender group of security over the Group's regulated entities;
- provision of information in relation to the Group's long-term strategy;
- all lender approval of the Group's strategic plan and long-term financial forecasts;
- the Company raising additional subordinated capital of at least $150m; and
- other customary conditions precedent.

The all-in coupon for the new facility is 13.50% per annum (assuming cash pay is elected), and the existing $300 million term facility has been repriced to this level:

- the Company has the flexibility to capitalise a component of the interest at its election; and
- there is a reduction in the coupon subject to the Group's Adjusted Net Leverage Ratio falling below 4.0x.

The maturity date for the new facility is consistent with the existing term loan (December 2027). The Group will also retain up to $34 million of bank guarantees under the existing revolving credit facility.

In addition to the new debt facility set out above and in response to the operating environment, management has identified approximately $100 million of annualised cost savings (currently targeted to be achieved by the end of March 2025) and a reduction in capital expenditure (excluding remediation expenditure) in FY25. The Group is in the process of selling its Treasury buildings in Brisbane and will continue to review the potential sale of other non-core assets and identify any additional cost savings.

The Group's lenders have agreed to provide covenant waivers for the next two testing dates, being 30 September 2024 and 31 December 2024, with the waiver for the latter date being subject to execution of long-form documentation for the new debt facility and other customary conditions. It is the Group's intention to engage with its lenders in relation to the 31 March 2025 and 30 June 2025 testing dates prior to 31 March 2025.

In the Directors' opinion, notwithstanding the new debt facility, there is material uncertainty as to the outcome of the matters outlined above which may cast significant doubt on the Group's ability to continue as a going concern, there are reasonable grounds to believe the Group will be able to meet its liabilities as and when they fall due over the next twelve months and continues to remain a going concern, provided that:

- the conditions precedent in relation to the new debt facility outlined above are able to be satisfied and the Group receives the required support of its lenders;
- the Group is able to access additional sources of liquidity to fund ongoing operations, commitments and any pecuniary penalties if required;
- the Group is able to further progress its plans to implement longer-term funding arrangements that provide the Group with sufficient additional flexibility having regard to the uncertainties outlined above. These arrangements are expected to involve continued discussions and negotiations with various stakeholders including regulators, Governments, lenders, shareholders and other parties;

- the outcomes of the provisions and contingent liabilities outlined in note B7 are of such a magnitude, and with adequate flexibility on timing of payments, so as to not render the Group unable to pay its debts as and when they fall due;
- the reduction of earnings due to the implementation of cashless and carded play in Sydney and Queensland casinos is not materially worse than expected and there are not further regulatory changes that materially reduce earnings;
- the capital commitments required for the completion of the DBC Queens Wharf Integrated Resort can be funded;
- the costs associated with remediation activities do not materially increase;
- management successfully undertakes initiatives relating to reductions in cost and capital spend, and expected non-core asset sales; and
- the Group, by continuing to work with its Regulators, the Manager (The Star Sydney), Special Manager (The Star Gold Coast) and External Adviser (The Star Brisbane), is able to develop and implement its remediation measures and restore the Group to suitability to hold its casino licences on an unconditional basis.

If the Group is unable to successfully address or resolve any one or more of the matters outlined above, it is likely that the Group would not remain a going concern and be unable to pay its debts as and when they fall due. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classifications of liabilities that might be necessary should the entity not continue as a going concern.

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Preparation of the financial statements in conformity with Australian Accounting Standards and IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

- Going concern (refer note above);
- Asset useful lives and residual values (refer notes A4 and B5);
- Impairment of assets (refer note B6);
- Valuation of derivatives and other financial instruments and hedge accounting (refer note B3);
- Impairment of trade receivables (refer note B2);
- Significant items (refer note A7); and
- Provisions, contingent liabilities and regulatory matters (refer note B7).

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in future periods.

CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and amended accounting standards, which became applicable for the year ended 30 June 2024:

Reference	Title
AASB 101	Amendments to AASB 101 - Disclosure of Accounting Policies
AASB 112	Amendments to AASB 112 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to AASB 101: Disclosure of Accounting Policies

The amendments to AASB 101 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful. This is achieved by replacing the requirements for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments had no impact on the consolidated financial statements of the Group.

Amendments to AASB 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments to AASB 112 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

The amendments had no impact on the consolidated financial statements of the Group.

STANDARDS AND AMENDMENTS ISSUED BUT NOT YET EFFECTIVE

The Group has not applied Australian Accounting Standards and IFRS that were issued or amended but not yet effective. The Group is currently assessing the impact the amendments will have on current practice, if any:

Reference	Title	Application date
AASB 2020-1	Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current	1 January 2024
AASB 2022-5	Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback	1 January 2024
AASB 2023-3	Amendments to Australian Accounting Standards - Disclosure of Non-current Liabilities with Covenants: Tier 2	1 January 2024
AASB 18	Presentation and Disclosure in Financial Statements	1 January 2027

BASIS OF CONSOLIDATION

Controlled entities

The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Controlled entities are consolidated from the date control is transferred to the Group and are no longer consolidated from the date control ceases. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated.

Foreign currency

The consolidated financial statements are presented in Australian dollars ($) which is the Group's functional and presentation currency.

Transactions and balances

Transactions denominated in foreign currencies are translated at the rate of exchange ruling on the transaction date.

Monetary items denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Gains and losses arising from the translation are credited or charged to the income statement, with the exception of differences on foreign currency borrowings that are in an effective hedge relationship. These are taken directly to equity until the liability is extinguished, at which time they are recognised in the income statement.

GOVERNMENT GRANTS

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense, it is recognised net of the related expense for which it is intended to compensate. There are no unfilled conditions or other contingencies attached to the grants.

NET FINANCE COSTS

Finance income is recognised as the interest accrues, using the effective interest method. Finance costs consist of interest and other borrowing costs incurred in connection with the borrowing of funds. Finance costs directly associated with qualifying assets are capitalised, all other finance costs are expensed, in the period in which they occur.

TAXATION

Income tax

Income tax comprises current and deferred income tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the period, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for:

- goodwill; and
- the initial recognition of an asset or liability in a transaction, which at the time of the transaction affects neither accounting nor taxable profit (loss) and does not give rise to equal taxable and deductible temporary differences.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

GOODS AND SERVICES TAX (GST)

Revenues, expenses, assets and liabilities are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable;
- casino revenues, due to the GST being offset against government taxes; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are carried in the balance sheet at face value. Cash and cash equivalents include cash balances and call deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash for the purpose of the statement of cash flows.

TRADE AND OTHER RECEIVABLES

Trade receivables are recognised and carried at original settlement amount less a provision for expected credit loss impaired, where applicable. Bad debts are written off when they are known to be uncollectible. Subsequent recoveries of amounts previously written off are credited to the income statement. Other receivables are carried at amortised cost less impairment.

INVENTORIES

Inventories include consumable stores, food and beverage and are carried at the lower of cost and net realisable value. Inventories are costed on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business.

PROPERTY, PLANT AND EQUIPMENT

Refer to notes A4 and B4 for further details of the accounting policy, including useful lives of property, plant and equipment.

Freehold land is included at cost and is not depreciated.

All other items of property, plant and equipment are stated at historical cost net of depreciation, amortisation and impairment, and depreciated over periods deemed appropriate to reduce carrying values to estimated residual values over their useful lives. Historical cost includes expenditure that is directly attributable to the acquisition of these items.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Costs arising subsequent to the acquisition of an asset are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the income statement during the financial year in which they are incurred.

Costs relating to development projects are recognised as an asset when it is:

- probable that any future economic benefit associated with the item will flow to the entity; and
- it can be measured reliably.

If it becomes apparent that the development will not occur, the amount is expensed to the income statement.

INTANGIBLE ASSETS

Goodwill

Goodwill represents the excess of the consideration transferred over the fair value of the identifiable net assets acquired and liabilities assumed. Goodwill is assessed for impairment on an annual basis and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

Other intangible assets
Indefinite life intangible assets are not amortised and are assessed annually for impairment. Expenditure on gaming licences acquired, casino concessions acquired, computer software and other intangibles are capitalised and amortised using the straight line method as described in note B5.

Software (excluding SaaS arrangements)
Costs associated with developing or maintaining computer software programs are recognised as expenses as incurred. However, costs that are directly associated with identifiable and unique software products controlled by the Group and which have probable economic benefits exceeding the costs beyond one year are recognised as intangible assets. Direct costs include staff costs of the software development team and an appropriate portion of the relevant overheads. Expenditure meeting the definition of an asset is recognised as a capital improvement and added to the original cost of the asset. These costs are amortised using the straight line method, as described in note B5.

Casino licences and concessions
Refer to note B5 for details and accounting policy.

IMPAIRMENT OF ASSETS
Assets that have an indefinite useful life are not subject to depreciation or amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash generating units). Refer to note B6 for further details of key assumptions included in the impairment calculation.

PROVISIONS
A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

INVESTMENT IN ASSOCIATE AND JOINT VENTURE ENTITIES
Associates are all entities over which the Group has significant influence but not control or joint control. Joint control is the contractually agreed sharing of the joint arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. A joint venture is a type of arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. The Group's investments in associate and joint venture entities are accounted for using the equity method of accounting, after initially being recognised at cost. Under the equity method of accounting, the investments are initially recognised at cost and are subsequently adjusted to recognise the Group's share of the post-acquisition profits or losses of the investee in the income statement, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Distributions received are recognised as a reduction in the carrying amount of the investment. The carrying amount of equity-accounted investments is tested for impairment in accordance with the Group's policy.

INTEREST BEARING LIABILITIES
Interest bearing liabilities are recognised initially at fair value and include transaction costs. Subsequent to initial recognition, interest bearing liabilities are recognised at amortised cost using the effective interest rate method. Any difference between proceeds and the redemption value is recognised in the income statement over the period of the borrowing using the effective interest rate method.

Interest bearing liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

LEASES
Right-of-use assets
The Group recognises right-of-use (***ROU***) at the commencement date of the lease (i.e. the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The recognised ROU assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. ROU assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of buildings, leasehold improvements and plant and equipment. (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e. below $10,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Leases of assets under which substantially all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

EMPLOYEE BENEFITS

Post-employment benefits

The Group's commitment to defined contribution plans is limited to making the contributions in accordance with the minimum statutory requirements. There is no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees relating to current and past employee services.

Superannuation guarantee charges are recognised as expenses in the income statement as the contributions become payable. A liability is recognised when the Group is required to make future payments as a result of employees' services provided.

Long service leave

The Group's net obligation in respect of long term service benefits, other than pension plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using rates attached to bonds with sufficiently long maturities at the balance sheet date, which have maturity dates approximating to the terms of the Group's obligations.

Annual leave

Liabilities for annual leave are calculated at discounted amounts based on remuneration rates the Group expects to pay, including related on-costs when the liability is expected to be settled. Annual leave is another long term benefit and is measured using the projected credit unit method.

Share based payment transactions

The Company operates a long term incentive plan (***LTI***), which is available to employees at the most senior executive levels. Under the LTI, employees may become entitled to Performance Rights which may potentially convert to ordinary shares in the Company. The fair value of Performance Rights is measured at grant date and is recognised as an employee expense (with a corresponding increase in the share based payment reserve) over four years from the grant date irrespective of whether the Performance Rights vest to the holder. A reversal of the expense is only recognised in the event the instruments lapse due to cessation of employment within the vesting period.

The fair value of the Performance Rights is determined by an external valuer and takes into account the terms and conditions upon which the Performance Rights were granted.

The Company operates an Equity Retention Plan, whereby eligible employees may receive up to 100% of their fixed annual remuneration amount in value as fully paid ordinary shares after five years. The awards are issued at no cost to participants and are subject to a service condition of five years. Participants are entitled to dividends and may benefit from share price growth over the vesting period.

Under the Company's short term incentive plan (***STI***), eligible employees receive two thirds of their annual STI entitlement in cash and one third in the form of restricted shares which are subject to a holding lock for a period of twelve months. These shares are forfeited in the event that the employee voluntarily terminates from the Company. Due to the exceptional circumstances associated with COVID-19, the Board resolved to exercise its discretion to make a significantly reduced equity award under the FY20 STI. The award was delivered as a share based payment, subject to a holding lock of one year from the date of issue.

The cost is recognised in employment costs, together with a corresponding increase in equity (share based payment reserve) over the service period. No expense is recognised for awards that do not ultimately vest. A liability is recognised for the fair value of cash settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in employment costs.

DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. In accordance with its Treasury Policy, the Group does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised initially at fair value at the date the derivative contract is entered into and are subsequently remeasured to fair value at the end of each reporting period. The resulting gain or loss is recognised immediately in the income statement. However, where derivatives qualify for cash flow hedge accounting, the effective portion of the gain or loss is deferred in equity while the ineffective portion is recognised in the income statement.

The fair value of interest rate swap, cross currency swap and forward currency contracts is determined by reference to market values for similar instruments. Refer to note E2 for details of fair value determination.

Derivative assets and liabilities are offset and the net amount reported in the consolidated balance sheet if, and only if:

- there is a currently enforceable legal right to offset the recognised amount; and
- there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

HEDGING

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the exposure to variability in cash flows that are attributable to a particular risk associated with a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in equity. When the forecast transaction subsequently results in the recognition of a non financial asset or liability, the associated cumulative gain or loss is removed from equity and included in the initial cost or other carrying amount of the non financial asset or liability.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or financial liability, then the associated gains and losses that were recognised directly in equity are reclassified into the income statement in the same period or periods during which the asset acquired or liability assumed affects the income statement (i.e. when interest income or expense is recognised). For cash flow hedges, the effective part of any gain or loss on the derivative financial instrument is removed from equity and recognised in the income statement in the same period or periods during which the hedged forecast transaction affects the income statement. The ineffective part of any gain or loss is recognised immediately in the income statement.

When a hedging instrument expires or is sold, terminated or exercised, or the designation of the hedge relationship is revoked but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above when the transaction occurs. If the hedged transaction is no longer expected to take place, then the cumulative unrealised gain or loss recognised in equity is recognised immediately in the income statement.

Fair value hedges

Where a derivative financial instrument is designated as a hedge of the exposure to variability in the fair value of a recognised asset or liability, any change in the fair value of the hedge is recognised in the income statement as a finance cost. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the income statement as a finance cost.

ISSUED CAPITAL

Issued and paid up capital is recognised at the fair value of the consideration received. Issued capital comprises ordinary shares. Any transaction costs directly attributable to the issue of ordinary shares are recognised directly in equity, net of tax, as a reduction of the share proceeds received.

OPERATING SEGMENT

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's executive decision makers to allocate resources and assess its performance.

The Group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following respects:

- nature of the products and services;
- type or class of customer for the products and services;
- methods used to distribute the products or provide the services; and
- nature of the regulatory environment.

Segment results include revenue and expenses directly attributable to a segment and exclude significant items.

Capital expenditure represents the total costs incurred during the period to acquire segment assets, including capitalised interest.

DIVIDEND DISTRIBUTIONS

Dividend distributions to the Company's shareholders are recognised as a liability in the Group's financial statements in the period in which the dividends are declared.

BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net earnings after tax for the period by the weighted average number of ordinary shares outstanding during the period.

DILUTED EARNINGS PER SHARE

Diluted earnings per share is calculated by dividing the net earnings attributable to ordinary equity holders adjusted by the after tax effect of:

- any dividends or other items related to dilutive potential ordinary shares deducted in arriving at profit or loss attributable to ordinary equity holders;
- any interest recognised in the period related to dilutive potential ordinary shares; and
- any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares;

by the weighted average number of issued ordinary shares plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

ASSETS HELD FOR SALE

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction, rather than through continuing use, and a sale is considered highly probable. They are measured at the lower of their carrying value and fair value less costs to sell. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its fair value less costs to sell.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2024

Name of entity	Type of entity	Trustee, partner or participant in Joint Venture	% of share capital	Place of incorporation	Australian resident or foreign resident	Foreign jurisdiction of foreign residents
The Star Entertainment Group Limited	Body corporate		100.0	Australia	Australian	n/a
The Star Entertainment Sydney Holdings Limited	Body corporate		100.0	Australia	Australian	n/a
The Star Pty Limited	Body corporate		100.0	Australia	Australian	n/a
The Star Entertainment Pty Ltd	Body corporate		100.0	Australia	Australian	n/a
The Star Entertainment Sydney Properties Pty Ltd	Body corporate		100.0	Australian	Australian	n/a
The Star Entertainment Sydney Apartments Pty Ltd	Body corporate		100.0	Australia	Australian	n/a
Star City Investments Pty Limited	Body corporate		100.0	Australia	Australian	n/a
Star City Share Plan Company Pty Ltd	Body corporate		100.0	Australia	Australian	n/a
The Star Entertainment QLD Limited	Body corporate		100.0	Australia	Australian	n/a
The Star Entertainment QLD Custodian Pty Ltd	Body corporate	Trustee	100.0	Australia	Australian	n/a
The Star Entertainment Gold Coast Trust	Unit Trust		-	Australia	Australian	n/a
The Star Entertainment International No.1 Pty Ltd	Body corporate		100.0	Australia	Australian	n/a
The Star Entertainment International No.2 Pty Ltd	Body corporate		100.0	Australia	Australian	n/a
The Star Entertainment (Macau) Limited	Body corporate		100.0	Macau	Foreign	Macau
The Star Entertainment International No.3 Pty Ltd	Body corporate		100.0	Australia	Australian	n/a
EEI Services (Hong Kong) Holdings Limited	Body corporate		100.0	Hong Kong	Foreign	Hong Kong
EEI Services (Hong Kong) Limited	Body corporate		100.0	Hong Kong	Australian	Note A
EEI C&C Services Pte Ltd	Body corporate		100.0	Singapore	Foreign	Singapore
The Star Entertainment RTO Pty Ltd	Body corporate		100.0	Australia	Australian	n/a
The Star Entertainment Finance Limited	Body corporate		100.0	Australia	Australian	n/a
Destination Cairns Consortium Pty Limited	Body corporate		100.0	Australia	Australian	n/a
The Star Entertainment Technology Services Pty Ltd	Body corporate		100.0	Australia	Australian	n/a
The Star Entertainment Training Company Pty Ltd	Body corporate		100.0	Australia	Australian	n/a
The Star Entertainment Letting Pty Ltd	Body corporate		100.0	Australia	Australian	n/a
The Star Entertainment Online Holdings Pty Ltd	Body corporate		100.0	Australia	Australian	n/a
The Star Entertainment Online Pty Ltd	Body corporate		100.0	Australia	Australian	n/a
The Star Entertainment Brisbane Holdings Pty Ltd	Body corporate		100.0	Australia	Australian	n/a

THE STAR ENTERTAINMENT GROUP

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2024

Name of entity	Type of entity	Trustee, partner or participant in Joint Venture	% of share capital	Place of incorporation	Australian resident or foreign resident	Foreign jurisdiction of foreign residents
The Star Entertainment Brisbane Operations Pty Ltd	Body corporate		100.0	Australia	Australian	n/a
The Star Entertainment DBC Holdings Pty Ltd	Body corporate	Participant in joint venture	100.0	Australia	Australian	n/a
The Star Brisbane Car Park Holdings Pty Ltd	Body corporate	Participant in joint venture	100.0	Australia	Australian	n/a
The Star Entertainment Gold Coast Holdings Pty Ltd	Body corporate		100.0	Australia	Australian	n/a
The Star Entertainment GC Investments Pty Ltd	Body corporate	Participant in joint venture	100.0	Australia	Australian	n/a
The Star Entertainment GC Investments No.1 Pty Ltd	Body corporate	Participant in joint venture	100.0	Australia	Australian	n/a
The Star Entertainment International No.5 Pty Ltd	Body corporate		100.0	Australia	Australian	n/a
EEI Services Holdings No.1 Pty Ltd	Body corporate		100.0	Australia	Australian	n/a
EEI Services Holdings No.2 Pty Ltd	Body corporate		100.0	Australia	Australian	n/a
EEI Services (Macau) Limited	Body corporate		100.0	Macau	Foreign	Macau
The Star Entertainment International Tourism Pty Ltd	Body corporate		100.0	Australia	Australian	n/a
Destination Sydney Consortium Pty Limited	Body corporate		100.0	Australia	Australian	n/a
The Star Entertainment Pyrmont Investments No.1 Pty Ltd	Body corporate	Participant in joint venture	100.0	Australia	Australian	n/a
The Star Entertainment GC No.1 Pty Ltd	Body corporate		100.0	Australia	Australian	n/a
The Star Entertainment GC No.2 Pty Ltd	Body corporate		100.0	Australia	Australian	n/a
The Star Entertainment Group Limited Employee Share Trust	Unit		-	Australia	Australian	n/a

Note A: This entity is also a tax resident in its country of incorporation, however, is assessed as an Australian resident under the *Income Tax Assessment Act 1997* (***Act***) and therefore not classified as a foreign resident under the Act.

THE STAR ENTERTAINMENT GROUP

DIRECTORS' DECLARATION

In the opinion of the Directors of The Star Entertainment Group Limited (the ***Company***):

(a) the financial statements and notes of the Group are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's consolidated financial position as at 30 June 2024 and of its performance for the year ended on that date; and

(ii) complying with the Accounting Standards and the *Corporations Regulations 2001*;

(b) the consolidated entity disclosure statement required by section 295(3A) of the *Corporations Act 2001* is true and correct;

(c) the Financial Report also complies with International Financial Reporting Standards as disclosed in note G; and

(d) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of Directors.

Anne Ward
Chairman
Sydney
30 September 2024

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Independent Auditor's report to the Members of The Star Entertainment Group Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of The Star Entertainment Group Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated balance sheet as at 30 June 2024, the consolidated income statement, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. giving a true and fair view of the consolidated financial position of the Group as at 30 June 2024 and of its consolidated financial performance for the year ended on that date; and

b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainties Relating to Going Concern

We draw attention to Note G of the financial report which outlines the Directors' assessment of the ability of the Group to continue as a going concern. These matters indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Note G describes the basis for the Directors' assessment that the Group has the ability to continue as a going concern and the actions they are planning to take to respond to these uncertainties. Our opinion is not modified in respect of this matter.

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Emphasis of Matter – Regulatory and Legal Provisions and Contingent Liabilities

We draw attention to the regulatory and legal provisions and contingent liabilities disclosed in Note B7 of the financial report. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context. In addition to the matter described in the *Material Uncertainties Relating to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Impairment testing of non-current assets

Why significant	How our audit addressed the key audit matter
The Group had non-current assets amounting to $1,409.7 million at 30 June 2024. The Group performs an impairment assessment on an annual basis for goodwill and for other non-current assets, when there are indicators of impairment. The impairment test is performed using fair value less cost of disposal and includes significant assumptions, judgements and estimates that are affected by expected future performance, costs of remediation and legal matters, future capital costs and market conditions such as growth rates, discount rates and terminal value assumptions. An impairment expense of $1,438.6 million was recognised for the year ended 30 June 2024. Key assumptions, judgements and estimates used in the Group's assessment of impairment of non-current assets with the impact on impairment of reasonable possible changes in the assumptions are set out in Note B6 of the financial report. At 30 June 2024, there was significantly higher estimation uncertainty in relation to impairment testing due to the impact of elevated earnings uncertainty arising from remediation activities and new casino regulations. The impact of potential	Our audit procedures included the following: - Evaluated the appropriateness of the Cash Generating Units (CGUs) used by the Group in their impairment assessment and the allocation of assets and cash flows to these CGUs. - Evaluated the cash flow forecasts, which supported the recoverable value of the non-current assets and impairment recognised. - We considered the historical accuracy of the Group's cash flow forecasting and budgeting processes. - Evaluated forecast costs of remediation and legal matters and future capital costs. - Involved our valuation specialists to assess whether the impairment testing methodology applied was in accordance with Australian Accounting Standards and to evaluate the key assumptions applied in the impairment models which included growth rates, terminal value assumptions, and discount rates which included the

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Why significant	How our audit addressed the key audit matter
outcomes from the ongoing regulatory and legal provisions and contingent liabilities set out in Note B7, also increases the risk of inaccurate forecasts and results in a significantly wider range of possible outcomes to consider. Accordingly, we considered this a key audit matter. For the same reasons, we consider it important that attention is drawn to the information in Notes B4, B5 and B6 of the financial report on management's assessment of the impairment testing of non-current assets at 30 June 2024.	uncertainty relating to the ongoing regulatory and legal matters. - Tested whether the models used were mathematically accurate and that the impairment expense was correctly recorded in the financial statements. - Performed sensitivity analysis on the key assumptions to ascertain the extent to which changes in those assumptions could result in impairment or further impairment. - Assessed the adequacy of the disclosures included in Notes B4, B5 and B6 of the financial report, and in particular those relating to uncertainty in the cash flow forecasts and discount rates.

Provisions, Contingent Liabilities and Regulatory Matters

Why significant	How our audit addressed the key audit matter
As disclosed in Note B7, the Group is subject to a number of significant pending and ongoing regulatory and legal, financing and tax matters. There is complexity in relation to the assessment of these matters and uncertainty as to the outcome and quantification of any future economic outflow associated with each of these matters. Australian Accounting Standards (accounting standards) provide criteria for the recognition of liabilities and disclosure of contingent liabilities for such matters. The application of these standards required significant judgement in determining whether present obligations existed at balance date, whether it was probable a future outflow of funds will occur and whether the provisions could be reliably measured and the extent of required contingent liability disclosures where these conditions were considered not to be met. Where a provision is recognised as disclosed in Note B7, there is significant judgement required in estimating the provision. Accordingly, we considered this to be a key audit matter.	Our audit procedures included the following: - Evaluated the Group's assessment as to whether present obligations exist arising from past events based on the available facts and circumstances in relation to these matters. In order to assess the facts and circumstances, we considered the underlying documentation prepared by the Group's internal and external solicitors, and other relevant documents. - Held discussions with senior management, reviewed Board of Directors and Board Committee minutes, reviewed correspondence with regulators (where applicable) and attended Audit Committee and Risk Committee meetings to understand key regulatory, compliance, and legal matters. - Inspected legal correspondence and legal opinions and considered their content together with the information we obtained from our other procedures. Where required we held inquiries with the Group's internal and external legal counsel.

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Why significant	How our audit addressed the key audit matter
	- Where the Group determined that a present obligation existed, we assessed the basis for reliable measurement of the provision in accordance with accounting standards, including matters such as probability of outflow, amounts and timing, and our understanding of the matter from our procedures. - Where a provision was recognised, we assessed the basis for the estimate and the calculation of the provisions. - Assessed the disclosures within the financial report related to these provisions and the contingent liability disclosures. Our forensic specialists were involved in the performance of certain of these procedures, where considered appropriate.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's 2024 annual report other than the financial report and our auditor's report thereon. We obtained the directors' report that is to be included in the annual report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the Annual Report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

b) The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001;* and

for such internal control as the directors determine is necessary to enable the preparation of:

i. The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii. The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and accordance appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 27 to 49 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of The Star Entertainment Group Limited for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Scott Jarrett
Partner
Sydney
30 September 2024