



**IN THE SUPREME COURT OF VICTORIA AT MELBOURNE
COMMERCIAL COURT
GROUP PROCEEDINGS LIST**

Case: S ECI 2022 01039

Filed on: 19/03/2024 07:33 PM

S ECI 2022 01039

BETWEEN:

DA LYNCH PTY LIMITED (ACN 626 635 514)

Plaintiff

and

THE STAR ENTERTAINMENT GROUP LTD (ACN 149 629 023)

Defendant

DEFENCE

Date of document:	19 March 2024
Filed on behalf of:	Defendant
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Unless otherwise stated, a defined term in this Defence has the same meaning assigned to it in the Amended Statement of Claim filed on 17 January 2023 (**ASOC**). Headings and sub-headings in the ASOC have been replicated in this Defence. The Defendant (**Star**) does not make any admissions by the use of these headings. In answer to the ASOC, Star says as follows:

A. THE PLAINTIFF AND GROUP MEMBERS

1. As to paragraph 1, Star:

- (a) admits that the plaintiff purports to bring the proceeding on behalf of those persons identified in the paragraph;

- (b) does not admit the existence of persons described in paragraph 1(a)(ii) of the ASOC;
- (c) does not admit that the proceeding is validly commenced by the plaintiff as a group proceeding pursuant to Part 4A of the *Supreme Court Act 1986* (Vic) on behalf of the persons described in paragraph 1(a)(ii) of the ASOC;
- (d) denies that the plaintiff and the persons on behalf of whom the plaintiff purports to bring the proceeding suffered loss or damage by or resulting from the conduct alleged in the ASOC; and
- (e) otherwise does not know and therefore does not admit the allegations in the paragraph.

2. Star admits paragraph 2.

3. Star admits paragraph 3.

B. THE DEFENDANT

B.1. Star

4. Star admits paragraph 4.

5. Star admits paragraph 5.

B.2. Star Shares

6. Star admits paragraph 6.

7. Star admits paragraph 7.

B.3. Star Officers

8. As to paragraph 8, Star:

- (a) as to subparagraph (a):
 - (i) says that the correct name is “Skye Edwina Rendle Arnott”;
 - (ii) refers to and repeats paragraphs 59 and 60 below; and
 - (iii) otherwise denies the subparagraph;

- (b) admits subparagraph (b);
- (c) as to subparagraph (c):
 - (i) says that the first name is correctly spelt “Matthias” and the correct full name is “Matthias Michael Bekier”; and
 - (ii) admits the subparagraph;
- (d) as to subparagraph (d):
 - (i) says the correct name is “Micheil Andrew Brodie”; and
 - (ii) otherwise denies the subparagraph;
- (e) as to subparagraph (e):
 - (i) says the correct name is “Archibald Angus Buchanan”; and
 - (ii) otherwise denies the subparagraph;
- (f) as to subparagraph (f):
 - (i) admits Chong was an officer of Star until March 2018; and
 - (ii) otherwise denies the subparagraph;
- (g) as to subparagraph (g):
 - (i) says the correct name is “Gregory Francis Hawkins”; and
 - (ii) admits the subparagraph;
- (h) as to subparagraph (h):
 - (i) says the correct name is “Geoffrey William Hogg”;
 - (ii) says that Hogg held the following roles for the following periods:
 - A Group Executive Operations of The Star Entertainment Group Limited for the period from July 2019 to 30 June 2020;
 - B Chief Casino Officer (QLD) for the period from 1 July 2020 to 30 April 2022;

- C Chief Casino Officer (QLD and NSW) for the period from 1 May 2022 to 31 May 2022; and
 - D Interim Chief Executive Officer of The Star Entertainment Group Limited from 1 June 2022 to 13 October 2022 (being the date Mr Robbie Cooke commenced as CEO); and
- (iii) otherwise admits the subparagraph;
- (i) denies subparagraph (i);
 - (j) as to subparagraph (j):
 - (i) says the full name is “Kevin John Houlihan”;
 - (ii) refers to and repeats paragraphs 59 and 60 below; and
 - (iii) otherwise denies the subparagraph;
 - (k) as to subparagraph (k):
 - (i) admits Katsibouba was an officer of Star in respect of her role as Group Executive – Gaming from September 2020 until April 2022 and in respect of her role as Interim Chief Financial Officer from May 2022 until the end of the Relevant Period; and
 - (ii) otherwise denies the subparagraph;
 - (l) as to subparagraph (l):
 - (i) says that Lee held the following roles for the following periods:
 - A Group Executive Human Resources (12 January 2015 to April 2017);
 - B Chief Human Resources Officer (1 May 2017 to 28 February 2019); and

- C Chief People & Performance Officer (during which she was HD as Chief Transformation Officer effective 1 April 2022) (1 March 2019 to 31 July 2022); and
- (ii) admits that from 12 January 2015 until 31 July 2022 Lee was an officer of Star; and
 - (iii) otherwise denies the subparagraph;
- (m) denies subparagraph (m);
- (n) as to subparagraph (n):
- (i) says Martin’s full name is “Paula Maree Martin”; and
 - (ii) admits the subparagraph;
- (o) as to subparagraph (o):
- (i) says McWilliams full name is “Michael Paul McWilliams”; and
 - (ii) admits the subparagraph;
- (p) denies subparagraph (p);
- (q) admits subparagraph (q);
- (r) denies subparagraph (r);
- (s) as to subparagraph (s):
- (i) refers to and repeats paragraphs 59 and 60 below; and
 - (ii) otherwise denies the subparagraph;
- (t) denies subparagraph (t);
- (u) denies subparagraph (u);
- (v) as to subparagraph (v):
- (i) says the full name is “Graeme Scott Stevens”; and
 - (ii) otherwise denies the subparagraph;
- (w) as to subparagraph (w):

- (i) admits Theodore was an officer of Star from October 2018 until May 2022; and
 - (ii) otherwise denies the subparagraph;
 - (x) denies subparagraph (x); and
 - (y) as to subparagraph (y):
 - (i) says the full name is “Michael James Allan Whytcross”; and
 - (ii) otherwise denies the subparagraph.
9. Star admits paragraph 9, save to say the following:
- (a) the full name of the Director referred to at subparagraph (a) is “John Anthony O’Neill”;
 - (b) the full name of the Director referred to at subparagraph (c) is “Kathleen Lahey”;
 - (c) the full name of the Director referred to at subparagraph (d) is “Wallace Richard Sheppard”;
 - (d) the full name of the Director referred to at subparagraph (e) is “Gerard Patrick Bradley”;
 - (e) the full name of the Director referred to at subparagraph (f) is “Sally Anne Majella Pitkin”;
 - (f) the full first name of the Director referred to at subparagraph (g) is “Gregory”;
and
 - (g) the full name of the Director referred to at subparagraph (h) is “Benjamin Andrew Heap”.
10. Save to say that Heap was only a member of the BAC in 2021 and 2022, Star admits paragraph 10.
11. As to paragraph 11, Star:

- (a) says that in 2022 the “Board Risk and Compliance Committee” was renamed as the “Risk, Compliance and Regulatory Performance Committee”; and
 - (b) otherwise admits the paragraph.
- 12. Star admits paragraph 12.
- 13. Star admits paragraph 13.
- 14. Star admits paragraph 14.
- 15. Star admits paragraph 15.
- 16. Star admits paragraph 16.
- 17. As to paragraph 17, Star:
 - (a) refers to and repeats paragraphs 8 and 9 above; and
 - (b) otherwise denies the paragraph.

B.4. Star’s Continuous Disclosure Obligations

- 18. As to paragraph 18, Star:
 - (a) admits that, between 29 March 2016 and 22 May 2020 and between 23 March 2021 and 13 August 2021, Star was subject to the continuous disclosure requirements contained in sections 111AP and 674 of the *Corporations Act* and the ASX Listing Rules;
 - (b) refers to and relies upon the *Corporations Act* and ASX Listing Rules for their full terms and effect; and
 - (c) otherwise denies the paragraph.
- 19. As to paragraph 19, Star:
 - (a) refers to and repeats paragraph 18 above;
 - (b) admits that, between 23 May 2020 and 22 March 2021 and between 14 August 2021 and 13 June 2022, Star was subject to the continuous disclosure

requirements contained in sections 111AP and 674A of the *Corporations Act* and the ASX Listing Rules;

- (c) admits subparagraphs (a) and (b) insofar as during the Relevant Period, Star was subject to the *Corporations (Coronavirus Economic Response) Determination (No 2) 2020* (Cth) and the *Corporations (Coronavirus Economic Response) Determination (No 4) 2020* (Cth) as a “listed disclosing entity” within the meaning of the *Corporations Act*; and
- (d) otherwise denies the paragraph.

20. As to paragraph 20, Star:

- (a) refers to and repeats paragraphs 8, 9, 18 and 19 above;
- (b) says that, at all material times, listing rule 19.12 of the ASX Listing Rules defined the expression “aware”, as used in those rules, as follows:
“an entity becomes aware of information if, and as soon as, an officer of the entity ... has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity”; and
- (c) otherwise denies the paragraph.

C. STAR’S BUSINESS

C.1. Overview

21. Star denies paragraph 21.

Particulars

Star was neither the owner nor the operator of Star Sydney, Star Gold Coast nor Treasury.

22. As to paragraph 22, Star:

- (a) admits subparagraph (a); and

- (b) otherwise denies the paragraph.
23. As to paragraph 23, Star:
- (a) says that the Star Group on a consolidated basis relevantly derived revenue from the business segments described in subparagraphs (a)-(c) of the ASOC but these businesses were not businesses of Star itself;
 - (b) says further that the Star Group on a consolidated basis also derived revenue from sources other than those identified in paragraph 23 of the ASOC; and
 - (c) otherwise denies the paragraph.

C.2. Star's International VIP Business

24. As to paragraph 24, Star:
- (a) refers to and repeats paragraph 23 above;
 - (b) says that at all material times, the business of certain entities within the Star Group (but not Star) included business with customers who did not ordinarily reside in Australia and:
 - (i) had the characteristics otherwise described in subparagraphs 24(a), (b), (d)(i)(A), d(i)(B), (d)(ii), (e) and (f) of the ASOC, save that 'junket' is defined in s 76B of the *NSW CC Act* (not s 76); and
 - (ii) were variously described within the Star Group as 'VIPs', 'premium players' and 'rebate players' within business segments variously described as 'premium mass' and 'premium direct';
 - (iii) included Premium Players, who, in addition to those Premium Players described in 24(d)(ii) of the ASOC, had a Premium Player Arrangement that provided for:

A either one or a combination of commission, rebate on win/loss or discount on loss based on the volume of their own play or activity levels; or

B points incentives comparable to loyalty programs,

(Star's International VIP Business);

(c) otherwise denies the paragraph; and

(d) says that in the balance of this Defence, it will plead to allegations in the ASOC using the terms "Star's International VIP Business" and "junket" subject to the above.

25. As to paragraph 25, Star:

(a) says that key strategic priorities were set out in its Annual Reports throughout the Relevant Period and some of these strategic priorities focused on international premium players and international junket players;

(b) refers to and repeats paragraph 24 above; and

(c) otherwise denies the paragraph.

26. As to paragraph 26, Star:

(a) refers to and repeats paragraph 24 above;

(b) says that, in the Relevant Period up to FY2020, the International VIP Business contributed a significant amount to Star Group's revenue on a consolidated basis; and

(c) otherwise denies the paragraph.

C.3. Star's Domestic Gaming Business

27. As to paragraph 27, Star:

(a) repeats paragraph 23 above;

- (b) says that at all material times, the business of certain entities within the Star Group (but not Star) included business with customers who had the characteristics otherwise described in subparagraphs 27 (a), (b) and (c) of the ASOC, save that ‘junket’ is defined in s 76B of the *NSW CC Act* (not s 76), **(Star’s Domestic Gaming Business)**;
- (c) otherwise denies the paragraph; and
- (d) says that in the balance of this Defence, it will plead to allegations in the ASOC using the term “Star’s Domestic Gaming Business” subject to the above.

28. As to paragraph 28, Star:

- (a) says that, from at least 2012, Star’s Domestic Gaming Business as defined in paragraph 27 above contributed a significant amount to Star’s overall revenue; and
- (b) otherwise denies the paragraph.

C.4. Star’s corporate governance and risk management framework

29. Star admits paragraph 29.

30. Save to say that it will rely on the full terms and effect of the Risk Appetite Statement as in force throughout the Relevant Period, Star admits paragraph 30.

31. As to paragraph 31, Star:

- (a) relies on the full terms and effect of the Risk Management Frameworks and Risk Management Policies as in force throughout the Relevant Period;
- (b) says that the statements pleaded at subparagraphs 31(c) and (d) of the ASOC were not included in a Risk Management Framework or a Risk Management Policy at all times during the Relevant Period from March 2017; and
- (c) otherwise admits the paragraph.

C.5. Money laundering and terrorism financing risks

32. As to paragraph 32, Star:

(a) says that the paragraph is vague and embarrassing;

(b) under cover of that objection, says that:

(i) TSPL as the casino operator was permitted pursuant to section 75 of the NSW CC Act to:

A debit to a deposit account established with the casino operator an amount to the value of chip purchase vouchers issued to, money paid to or a cheque made payable to the account holder by the casino operator, but not so as to cause the account to be overdrawn; and

B in exchange for a cheque payable to the operator, issue chip purchase vouchers to the value of the cheque,

(Cheque Cashing Facility);

(ii) TSEQL was permitted to provide credit to a non-resident of Queensland visiting a casino under a junket agreement pursuant to section 66(1A) of the *QLD CC Act*;

(iii) EEIS provided six loans over the period 25 June 2019 to 7 March 2020 to Min-Ta Lin, Sixin Qin, Cheung Tak So, San Lang Lin and Chung Ming Lu;

(iv) from 1 July 2020, TSPL was permitted to extend a form of credit to a person not ordinarily resident in Australia to enable the person to participate in a premium player arrangement, or a junket approved by the authority pursuant to section 74(5) of the *NSW CC Act*; and

- (v) between June 2017 and October 2019, seven transactions were identified where a Mastercard or Visa credit card were used at Treasury Brisbane or The Star Gold Coast to facilitate CUP transactions; and
 - (c) otherwise denies the paragraph.
33. As to paragraph 33, Star:
- (a) refers to and repeats 24 and 27 above;
 - (b) says that it was a term of the Junket Agreements and Premium Player Arrangements that TSPL or TSEGL's obligations to provide the rebate and benefits as set out in the Junket Agreement or Premium Player Arrangement was subject to the minimum front money being required for the selected program;
 - (c) says it was a term of the Junket Agreements and Premium Player Arrangements that TSPL or TSEQL only accepted cash, telegraphic transfers, verified or approved cash equivalents or funds from an approved Star cheque cashing facility as front money deposits;
 - (d) says that following receipt of funds as front money deposits, the Junket Promoter, Junket Representative or Premium Player was issued with a non-negotiable chip purchase voucher/eCPV(s) or gaming machine redeemable tickets as appropriate;
 - (e) relies on the full terms and effect of the Junket Agreements and Premium Player Arrangements; and
 - (f) otherwise denies the paragraph.
34. As to paragraph 34, Star:
- (a) says that Junket Organisers, Junket Funders, Premium Players and Domestic Players could pay (or repay) funds to a Star Casino Entity in some or all of the ways described in paragraph 34 of the ASOC; and

- (b) otherwise denies the paragraph.
35. As to paragraph 35, Star:
- (a) says the paragraph is vague and embarrassing; and
 - (b) under cover of that objection, denies the paragraph.
36. As to paragraph 36, Star:
- (a) admits subparagraphs (a) and (b);
 - (b) refers to and repeats paragraphs 32 to 35 above and 60 and 63 below;
 - (c) says that not all members of the Star Group were providers of designated services within the meaning of section 6 of the *AML/CTF Act*;
 - (d) says that those members of the Star Group who were providers of designated services faced ML and/or TF risks; and
 - (e) otherwise denies the paragraph.
37. As to paragraph 37, Star:
- (a) refers to and repeats paragraph 36 above;
 - (b) says that, at all material times, Star was aware of ML/TF risk faced by those members of the Star Group who were providers of designated services; and
 - (c) denies the paragraph.

C.6. Crown Resorts Limited

38. Star admits paragraph 38.

39. As to paragraph 39, Star:

- (a) says that the Nine Network’s ‘60 Minutes’ program broadcast a show titled “Crown Casino Exposed: Sex, Trafficking, Drugs and Money Laundering” on or around 28 July 2019 (**2019 60 Minutes Report**);
- (b) refers to the full terms and effect of the 2019 60 Minutes Report; and
- (c) otherwise does not admit the paragraph.

40. As to paragraph 40, Star:
- (a) says that pursuant to the Terms of Reference dated 14 August 2019, the Independent Liquor and Gaming Authority (**ILGA**) appointed the Honourable Patricia Bergin SC to inquire into the suitability of Crown and the Crown Licensee and into the regulatory framework and settings (**Bergin Inquiry**);
 - (b) refers to and relies upon the full terms and effect of the Bergin Inquiry's Terms of Reference; and
 - (c) otherwise does not admit the paragraph.
41. As to paragraph 41, Star:
- (a) says that the Bergin Inquiry delivered its report on 1 February 2021 (**Bergin Inquiry Report**);
 - (b) refers to and relies upon the full terms and effect of the Bergin Inquiry Report; and
 - (c) otherwise does not admit the paragraph.
42. As to paragraph 42, Star:
- (a) says that pursuant to Terms of Reference dated 22 February 2021, the Honourable Ray Finkelstein AO QC was appointed Commissioner and Chairperson of the Royal Commission into the Casino Operator and Licence (**Finkelstein Commission**);
 - (b) refers to and relies upon the full terms and effect of the Finkelstein Commission's Terms of Reference; and
 - (c) otherwise does not admit the paragraph.
43. As to paragraph 43, Star:
- (a) says that the Finkelstein Commission delivered its report on 15 October 2021 (**Finkelstein Report**);

- (b) refers to and relies upon the full terms and effect of the Finkelstein Report; and
- (c) otherwise does not admit the paragraph.

44. As to paragraph 44, Star:

- (a) says that it was generally aware of the following:
 - (i) that Crown was a major competitor of Star;
 - (ii) on or around 28 July 2019, the 2019 60 Minutes Report was broadcast;
 - (iii) on or around 14 August 2019, the Honourable Patricia Bergin SC was appointed to the Bergin Inquiry;
 - (iv) on or after 1 February 2021, the Bergin Inquiry Report was delivered;
 - (v) on or around 22 February 2021, the Honourable Ray Finkelstein AO QC was appointed as commissioner and chairperson of the Finkelstein Commission; and
 - (vi) on or after 15 October 2021, the Finkelstein Report was delivered and made a number of recommendations; and
- (b) otherwise denies the paragraph.

D. STAR'S REGULATORY OBLIGATIONS

D.1. Casino regulation

D.1.1. Casino licenses and regulators

45. As to paragraph 45, Star:

- (a) says that TSPL at all material times:
 - (i) held the casino licence granted in respect of Star Sydney on 14 December 1994 (as amended 5 June 2009) pursuant to ss 18 and 22(5) of the *NSW CC Act*;
 - (ii) was the casino operator of Star Sydney within the meaning of s 3(1) of the *NSW CC Act*; and

- (iii) was subject to regulatory oversight by ILGA; and
 - (b) otherwise denies the paragraph.
46. As to paragraph 46, Star:
- (a) says that TSEQCPL at all material times:
 - (i) held the casino licence granted in respect of Star Gold Coast on 20 November 1985, pursuant to s 18 of the *QLD CC Act*;
 - (ii) was a party to an agreement in respect of Star Gold Coast, titled Jupiters Casino Agreement, entered into with the State of Queensland on 6 May 1983 (last amended in April 2002) pursuant to s 19 of the *QLD CC Act*;
 - (iii) was the owner of the real property constituting Star Gold Coast; and
 - (iv) was subject to regulatory oversight by the Queensland Office of Liquor and Gambling Regulation and the Minister administering the *QLD CC Act (QLD Regulators)*; and
 - (b) otherwise denies the paragraph.
47. As to paragraph 47, Star:
- (a) says that TSEQL at all material times:
 - (i) held the casino licence granted on 1 April 1995 in respect of Treasury, pursuant to s 18 of the *QLD CC Act*;
 - (ii) was a party to an agreement in respect of Treasury, titled the Brisbane Casino Agreement, entered into with the State of Queensland on 6 May 1993 (last amended 18 February 2016) pursuant to s 19 of the *QLD CC Act*;
 - (iii) was a party to the Jupiters Casino Agreement;
 - (iv) was the lessee of the Star Gold Coast, pursuant to a casino lease in accordance with s 24 of the *QLD CC Act*;

- (v) was the casino operator of Star Gold Coast and Treasury, within the meaning of the *QLD CC Act*; and
 - (vi) was subject to regulatory oversight by the QLD Regulators; and
- (b) otherwise denies the paragraph.

D.1.2. Suitability to operate casino

48. As to paragraph 48, Star:

- (a) says, TSPL as licence holder for the Star Sydney Casino was required under s 12(2) of the *NSW CC Act* to demonstrate that it was and/or remained a suitable person to operate a casino, which relevantly required it to satisfy ILGA of the matters referred to in s 12(2)(a) and (g) of the *NSW CC Act*;
- (b) says that TSEQL as the holder of the Star Gold Coast casino licence and TSEQCPL as holder of the Treasury casino licence was required under s 20 of the *QLD CC Act* to satisfy the Governor in Council of the matters referred to in s 20(1)(a) and (f) of the *QLD CC Act*,

(respectively, as it applies in either New South Wales or Queensland, the **Suitable Person Test**);
- (c) otherwise denies the paragraph; and
- (d) says that in the balance of this Defence, it will plead to allegations in the ASOC using the term “Suitable Person Test” subject to the above.

49. As to paragraph 49, Star:

- (a) refers to and repeats paragraph 48 above;
- (b) refers to and relies upon the full terms and effect of section 31 of the *NSW CC Act* as it stood throughout the Relevant Period;
- (c) refers to and relies upon the full terms and effect of section 30 of the *QLD CC Act* as it stood throughout the Relevant Period; and

(d) otherwise denies the paragraph.

D.1.3. Conditions on casino licences

50. Save to say that it refers to and relies upon the full terms and effect of sections 73, 124(1), 124(4), 74(1)(c), 74(1)(d), 74(5), 70(1)(a), 70(1)(i) and 70(2)(c) of the *NSW CC Act* as they stood throughout the Relevant Period, Star admits paragraph 50.

51. As to paragraph 51, Star:

(a) says that TSPL (and other contracting parties) gave the following warranty to the New South Wales Casino, Liquor and Gaming Authority (**Authority**) in the Casino Operations Agreement:

'All information given at any time and every statement made at any time by the Contracting Party to the Authority or its employees, agents or consultants in connection with this Agreement and any Transaction Document is and will be true in any material respect and is and will not by omission or otherwise be misleading in any material respect.'

(b) says that TSPL (and other contracting parties) gave the following warranties to the Authority in the Compliance Deed:

'all information given at any time and every statement made at any time and every statement made at any time, by the Application Party to the Authority or its members, employees, agents, consultants or advisers in or connection with this Deed or any other Transaction Document (including the Application) is and will be true in all material respects and is and will not by omission or otherwise be misleading in any material respect'; and

'all information given and every statement made by it, its directors, officers, employees, shareholders, agents, consultants or advisers to the

Authority or its members, employees, delegates, agents, consultants or advisers in connection with the Transaction, the Application and Transaction Documents is and will be true in all material respects and is not and will not, by omission or otherwise, be misleading in any material respect.'

- (c) refers to and relies on the full terms and effect of the Casino Operations Agreement and the Compliance Deed; and
- (d) otherwise denies the paragraph.

Particulars

Casino Operations Agreement: *paragraph 3 of Schedule 3 of the Amended and Restated Casino Operations Agreement at Schedule 1 of the Deed of Amendment and Restatement as between the executing parties dated 5 June 2009 (STA.3001.0001.0155)*

Compliance Deed: *paragraphs 1(c) and 7(b) of Schedule 1 of the Amended and Restated Compliance Deed at Schedule 1 to the Deed of Amendment and Restatement between the executing parties dated 5 June 2009 (STA.3001.0001.0368)*

- 52. As to paragraph 52, Star:
 - (a) refers to paragraphs 48 to 51 above;
 - (b) refers to and relies upon the full terms and effect of sections 58(b), 58(c), 73(1) and 73(2) of the *QLD CC Act* as they stood throughout the Relevant Period; and
 - (c) denies the paragraph.

D.1.4. Powers of regulators

- 53. Save to say that it refers to and repeats paragraph 48 above, and refers to and relies upon the full terms and effect of sections 30 and 31 of the *NSW CC Act* as they stood throughout the Relevant Period, Star admits paragraph 53.

54. Save to say that it refers to and relies upon the full terms and effect of sections 29, 59 and 23 of the *NSW CC Act* as they stood throughout the Relevant Period, Star admits paragraph 54.

55. Save to say that it refers to and relies upon the full terms and effect of s 30 of the *QLD CC Act* as it stood throughout the Relevant Period, Star admits paragraph 55.

56. Star denies paragraph 56.

D.2. AML/CTF regulation

D.2.1. AML/CTF Program

57. As to paragraph 57, Star:

- (a) refers to and relies upon the full terms and effect of section 6 of the *AML/CTF Act* as it stood throughout the Relevant Period;
- (b) admits TSPL and TSEQL provided designated services to customers within the meaning of s 6 of the *AML/CTF Act*;
- (c) admits subparagraphs (c) to (m); and
- (d) otherwise denies the paragraph.

58. As to paragraph 58, Star:

- (a) refers to the full terms and effect of section 6 of the *AML/CTF Act* as it stood throughout the Relevant Period;
- (b) admits subparagraphs (a) and (b);
- (c) says EEIS was enrolled with AUSTRAC pursuant to s 51B of the *AML/CTF Act* from 20 December 2018; and
- (d) otherwise denies the paragraph.

59. As to paragraph 59, Star:

- (a) refers to and repeats paragraphs 57 and 58 above;

- (b) says that TSPL and TSEQL (**Star Reporting Entities**) throughout the Relevant Period and EEIS from 20 December 2018 until the end of the Relevant Period were reporting entities for the purposes of the *AML/CTF Act* and the *AML/CTF Rules*; and
 - (c) otherwise denies the paragraph.
60. As to paragraph 60, Star:
- (a) says that the Star Reporting Entities were members of a designated business group within the meaning of s 5 of the *AML/CTF Act* throughout the Relevant Period (**Star DBG**);
 - (b) says that the Star Reporting Entities adopted and maintained a joint anti-money laundering/counter-terrorism financing (**AML/CTF**) program within the meaning of s 85 of the *AML/CTF Act*, comprising of a ‘Part A’ and a ‘Part B’ (**Star AML/CTF Program**);
 - (c) otherwise denies the paragraph;
 - (d) says that in the balance of this Defence, it will plead to allegations in the ASOC using the term “Star AML/CTF Program” subject to the above.
61. Star admits paragraph 61.
62. As to paragraph 62, Star:
- (a) refers to and repeats paragraphs 60 and 61 above;
 - (b) says that during the Relevant Period:
 - (i) paragraph 8.4.1 of the *AML/CTF Rules* (to the extent that it applied to a reporting entity) provided that the reporting entity’s Part A program must be approved by its governing board and senior management and that Part A must also be subject to the ongoing oversight of the reporting entity’s board and senior management;

- (ii) paragraph 9.4.1 of the AML/CTF Rules (to the extent that it applied to a reporting entity) provided that a Part A program must be approved by the governing board and senior management of each reporting entity in the designated business group and that Part A must also be subject to the ongoing oversight of each reporting entity's board and senior management, unless paragraph 9.4.2 applied, which paragraph provided that, where each member of a designated business group is related to the other members, the Part A program may be approved by and subject to the ongoing oversight of the governing board and senior management of the main holding company of the group;
 - (iii) paragraph 8.5.1 of the AML/CTF Rules (to the extent that it applied to a reporting entity) provided that a Part A program must provide for the reporting entity to designate a person as the 'AML/CTF Compliance Officer' at the management level and that the AML/CTF Compliance Officer may have other duties; and
 - (iv) paragraph 9.5.1 of the AML/CTF Rules (to the extent that it applied to a reporting entity) provided that a Part A program must provide for the designated business group to designate a person as the 'AML/CTF Compliance Officer' at the management level and that the AML/CTF Compliance Officer may have other duties;
- (c) refers to the full terms and effect of sections 84(2)(c) and 85(2)(c) of the *AML/CTF Act* and paragraphs 8.4.1, 8.5.1, 9.4.1 and 9.5.1 of the AML/CTF Rules as they stood throughout the Relevant Period;
- (d) refers to the full terms and effect of the Star AML/CTF Program and the EEIS AML/CTF Program as they stood throughout the Relevant Period; and

- (e) otherwise denies the paragraph.

Particulars

STA.3008.0019.0565 Echo Casinos Designated Business Group Joint

AML / CTF Program (v3) dated 2 December 2015

STA.3008.0019.0608 The Star Entertainment Group Designated

Business Group AML / CTF Program (v4) dated 29 September 2016

STA.3008.0019.0260 The Star Entertainment Group Designated

Business Group AML / CTF Program (v5) dated 22 August 2017

STA.3008.0019.0478 The Star Entertainment Group Designated

Business Group AML / CTF Program (v6) dated 8 February 2018

STA.3008.0021.0220 The Star Entertainment Group Designated

Business Group AML / CTF Program (v7) dated 31 October 2018

STA.3008.0021.0262 The Star Entertainment Group Designated

Business Group AML / CTF Program (v8) dated 20 February 2019

STA.3008.0021.0201 Joint AML / CTF Program, The Star Entertainment

Group Australian Designated Business Group Program (v9) dated

1 November 2019

STA.3008.0019.0794 Joint AML / CTF Program, The Star Entertainment

Group Australian Designated Business Group Program (v10) dated

1 June 2020

STA.3006.0003.0162 EEIS AML/CTF Program version 1 dated May

2018

63. As to paragraph 63, Star:

- (a) says that during the Relevant Period:

- (i) paragraph 9.1.3 of the AML/CTF Rules (to the extent that it applied to a reporting entity) provided that some of the requirements specified in the AML/CTF Rules may be complied with by putting in place appropriate risk-based systems and controls. In determining and putting in place appropriate risk-based systems and controls, Part A must have regard to the following factors in relation to each reporting entity in the designated business group:
 - A the nature, size and complexity of business; and
 - B the type of ML/TF risk that might be reasonably faced;
- (ii) paragraph 8.1.3 of the AML/CTF Rules (to the extent that it applied to a reporting entity) provided that some of the requirements specified in the AML/CTF Rules may be complied with by a reporting entity putting in place appropriate risk-based systems or controls. When determining and putting in place appropriate risk-based systems or controls, the reporting entity must have regard to the nature, size and complexity of its business and the type of ML/TF risk that it might reasonably face;
- (iii) paragraph 9.1.4 of the AML/CTF Rules (to the extent that it applied to a reporting entity) provided that for the purposes of the AML/CTF Rules, in identifying the ML/TF risk, Part A must take account of the risk posed by the following factors in relation to each reporting entity in the designated business group:
 - A the customer types, including any politically exposed persons;
 - B the types of designated services provided;
 - C the methods by which designated services are delivered; and
 - D the foreign jurisdictions dealt with;

(iv) paragraph 8.1.4 of the AML/CTF Rules (to the extent that it applied to a reporting entity) provided that for the purposes of the AML/CTF Rules, in identifying its ML/TF risk a reporting entity must consider the risk posed by the following factors:

- A its customer types, including any politically exposed persons;
- B the types of designated services it provides;
- C the methods by which it delivers designated services; and
- D the foreign jurisdictions with which it deals;

(v) paragraph 9.1.5 of the AML/CTF Rules as in force between the beginning of the Relevant Period until 11 January 2018 (to the extent that it applied to a reporting entity) provided that Part A must be designed to enable the group to:

- A understand the nature and purpose of the business relationship with its customer types, including, as appropriate, the collection of information relevant to that understanding; and
- B understand the control structure of non-individual customers;
- C identify significant changes in ML/TF risk for the purposes of the group's Part A and Part B programs, including:
 - (aa) risks identified by consideration of the factors in paragraph 9.1.4; and
 - (ab) risks arising from changes in the nature of the business relationship, control structure or beneficial ownership of its customers; and
- D such changes in ML/TF risk to be recognised for the purposes of the requirements of the group's Part A and Part B programs; and

- E the ML/TF risk posed by the following to be assessed:
 - (aa) all new designated services prior to introducing them to the market;
 - (ab) all new methods of designated service delivery prior to adopting them;
 - (ac) all new or developing technologies used for the provision of a designated service prior to adopting them; and
 - (ad) changes arising in the nature of the business relationship, control structure or beneficial ownership of its customers;
- (vi) paragraph 9.1.5 of the AML/CTF Rules as in force between 12 January 2018 until the end of the Relevant Period (to the extent that it applied to a reporting entity) provided that Part A must be designed to enable the group to:
 - A understand the nature and purpose of the business relationship with its customer types, including, as appropriate, the collection of information relevant to that understanding; and
 - B understand the control structure of non-individual customers;
 - C identify significant changes in ML/TF risk for the purposes of the group's Part A and Part B programs, including:
 - (aa) risks identified by consideration of the factors in paragraph 9.1.4; and
 - (ab) risks arising from changes in the nature of the business relationship, control structure or beneficial ownership of its customers;

- D such changes in ML/TF risk to be recognised for the purposes of the requirements of the group's Part A and Part B programs; and
- E identify, mitigate and manage any ML/TF risk arising from:
 - (aa) all new designated services prior to introducing them to the market;
 - (ab) all new methods of designated service delivery prior to adopting them;
 - (ac) all new or developing technologies used for the provision of a designated service prior to adopting them; and
 - (ad) changes arising in the nature of the business relationship, control structure or beneficial ownership of its customers;
- (vii) paragraph 8.1.5 of the AML/CTF Rules as in force between the beginning of the Relevant Period until 11 January 2018 (to the extent that it applied to a reporting entity) provided that Part A must be designed to enable the group to:
 - A understand the nature and purpose of the business relationship with its customer types, including, as appropriate, the collection of information relevant to that understanding; and
 - B understand the control structure of non-individual customers;
 - C identify significant changes in ML/TF risk for the purposes of its Part A and Part B programs, including:
 - (aa) risks identified by consideration of the factors in paragraph 8.1.4; and

- (ab) risks arising from changes in the nature of the business relationship, control structure, or beneficial ownership of its customers; and
- D recognise such changes in ML/TF risk for the purposes of the requirements of its Part A and Part B programs; and
- E assess the ML/TF risk posed by:
 - (aa) all new designated services prior to introducing them to the market;
 - (ab) all new methods of designated service delivery prior to adopting them;
 - (ac) all new or developing technologies used for the provision of a designated service prior to adopting them; and
 - (ad) changes arising in the nature of the business relationship, control structure or beneficial ownership of its customers;
- (viii) paragraph 8.1.5 of the AML/CTF Rules as in force between 12 January 2018 until the end of the Relevant Period (to the extent that it applied to a reporting entity) provided that Part A must be designed to enable the reporting entity to:
 - A understand the nature and purpose of the business relationship with its customer types, including, as appropriate, the collection of information relevant to that understanding;
 - B understand the control structure of non-individual customers;
 - C identify significant changes in ML/TF risk for the purposes of its Part A and Part B programs, including:

- (aa) risks identified by consideration of the factors in paragraph 8.1.4; and
 - (ab) risks arising from changes in the nature of the business relationship, control structure, or beneficial ownership of its customers; and
- D recognise such changes in ML/TF risk for the purposes of the requirements of its Part A and Part B programs; and
- E identify, mitigate and manage any ML/TF risk arising from:
 - (aa) all new designated services prior to introducing them to the market;
 - (ab) all new methods of designated service delivery prior to adopting them;
 - (ac) all new or developing technologies used for the provision of a designated service prior to adopting them; and
 - (ad) changes arising in the nature of the business relationship, control structure or beneficial ownership of its customers;
- (ix) paragraph 9.1.6 of the AML/CTF Rules (to the extent that it applied to a reporting entity) provided that Part A must include a requirement that, in determining what is an appropriate risk-based procedure for inclusion in Part B of the reporting entity's joint AML/CTF program, the reporting entity must have regard to ML/TF risk relevant to the provision of the designated service;
- (x) paragraph 8.1.6 of the AML/CTF Rules (to the extent that it applied to a reporting entity) provided that Part A must include a requirement that, in determining what is an appropriate risk-based procedure for inclusion in

Part B of the reporting entity's standard AML/CTF program, the reporting entity must have regard to ML/TF risk relevant to the provision of the designated service;

- (xi) paragraph 9.1.7 of the AML/CTF Rules (to the extent that it applied to a reporting entity) provided that unless otherwise provided in the *AML/CTF Act* or the AML/CTF Rules, each reporting entity in the designated business group must apply Part A to all areas of its business that are involved in the provision of a designated service, including in relation to any function carried out by a third party;
- (xii) paragraph 8.1.7 of the AML/CTF Rules (to the extent that it applied to a reporting entity) provided that unless otherwise provided in the *AML/CTF Act* or the AML/CTF Rules, a reporting entity must apply Part A to all areas of its business that are involved in the provision of a designated service, including in relation to any function carried out by a third party;
- (xiii) paragraph 9.2.2 of the AML/CTF Rules (to the extent that it applied to a reporting entity) provided that the AML/CTF risk awareness training program must be designed so that each reporting entity gives its employees appropriate training at appropriate intervals, having regard to ML/TF risk it may reasonably face;
- (xiv) paragraph 8.2.2 of the AML/CTF Rules (to the extent that it applied to a reporting entity) provided that the AML/CTF risk awareness training program must be designed so that the reporting entity gives its employees appropriate training at appropriate intervals, having regard to ML/TF risk it may reasonably face;

(xv) paragraph 9.2.3 of the AML/CTF Rules (to the extent that it applied to a reporting entity) provided that the AML/CTF training program must be designed to enable employees to understand:

- A the obligations of the reporting entity under the *AML/CTF Act* and the AML/CTF Rules;
- B the consequences of non-compliance with the *AML/CTF Act* and the AML/CTF Rules;
- C the type of ML/TF risk that the reporting entity might face and the potential consequences of such risk; and
- D those processes and procedures provided for by the reporting entity's AML/CTF program that are relevant to the work carried out by the employee;

(xvi) paragraph 8.2.3 of the AML/CTF Rules (to the extent that it applied to a reporting entity) provided that the AML/CTF training program must be designed to enable employees to understand:

- A the obligations of the reporting entity under the *AML/CTF Act* and Rules;
- B the consequences of non-compliance with the *AML/CTF Act* and Rules;
- C the type of ML/TF risk that the reporting entity might face and the potential consequences of such risk; and
- D those processes and procedures provided for by the reporting entity's AML/CTF program that are relevant to the work carried out by the employees;

- (xvii) paragraph 9.3.1 of the AML/CTF Rules (to the extent that it applied to a reporting entity) provided that Part A must include an employee due diligence program that meets the requirements of paragraphs 9.3.2 to 9.3.4 of the AML/CTF Rules;
- (xviii) paragraph 8.3.1 of the AML/CTF Rules (to the extent that it applied to a reporting entity) provided that Part A must include an employee due diligence program that meets the requirements of paragraphs 8.3.2 to 8.3.4 of the AML/CTF Rules;
- (xix) paragraph 9.3.2 of the AML/CTF Rules (to the extent that it applied to a reporting entity) provided that the employee due diligence program must put in place appropriate risk-based systems and controls for each reporting entity to determine whether to, and in what manner to, screen any prospective employee who, if employed, may be in a position to facilitate the commission of a money laundering or financing of terrorism offence in connection with the provision of a designated service by the reporting entity;
- (xx) paragraph 8.3.2 of the AML/CTF Rules (to the extent that it applied to a reporting entity) provided that the employee due diligence program must put in place appropriate risk-based systems and controls for the reporting entity to determine whether to, and in what manner to, screen any prospective employee who, if employed, may be in a position to facilitate the commission of a money laundering or financing of terrorism offence in connection with the provision of a designated service by the reporting entity;

- (xxi) paragraph 9.3.3 of the AML/CTF Rules (to the extent that it applied to a reporting entity) provided that the employee due diligence program must include appropriate risk-based systems and controls for each reporting entity to determine whether to, and in what manner to, re-screen an employee where the employee is transferred or promoted and may be in a position to facilitate the commission of a money laundering or financing of terrorism offence in connection with the provision of a designated service by the reporting entity;
- (xxii) paragraph 8.3.3 of the AML/CTF Rules (to the extent that it applied to a reporting entity) provided that the employee due diligence program must include appropriate risk-based systems and controls for the reporting entity to determine whether to, and in what manner to, re-screen an employee where the employee is transferred or promoted and may be in a position to facilitate the commission of a money laundering or financing of terrorism offence in connection with the provision of a designated service by the reporting entity;
- (xxiii) paragraph 9.3.4 of the AML/CTF Rules (to the extent that it applied to a reporting entity) provided that the employee due diligence program must establish and maintain a system for each reporting entity to manage any employee who fails, without reasonable excuse, to comply with any system, control or procedure established in accordance with Part A or Part B; and
- (xxiv) paragraph 8.3.4 of the AML/CTF Rules (to the extent that it applied to a reporting entity) provided that the employee due diligence program must establish and maintain a system for the reporting entity to manage any

employee who fails, without reasonable excuse, to comply with any system, control or procedure established in accordance with Part A or Part B;

- (b) refers to the full terms and effect of paragraphs 9.1.3 to 9.1.7, 8.1.3 to 8.1.7, 9.2.2, 8.2.2, 9.2.3, 8.2.3, 9.3.1 to 9.3.4 and 8.3.1 to 8.3.4 of the AML/CTF Rules as they stood throughout the Relevant Period;
 - (c) refers to and repeats paragraphs 57 to 62 above; and
 - (d) otherwise denies the paragraph.
64. As to paragraph 64, Star:
- (a) refers to and relies upon the full terms and effect of sections 84(2)(c) and 85(2)(c) of the *AML/CTF Act* and parts 8.6 and 9.6 of the AML/CTF Rules as they stood throughout the Relevant Period;
 - (b) refers to and repeats paragraphs 57 to 63 above; and
 - (c) otherwise denies the paragraph.
65. As to paragraph 65, Star:
- (a) refers to the full terms and effect of sections 41, 43, 45, 47, 84(2)(c) and 85(2)(c) of the *AML/CTF Act* and paragraphs 8.9.1 and 9.9.1 of the AML/CTF Rules as they stood throughout the Relevant Period;
 - (b) refers to and repeats paragraphs 57 to 64 above; and
 - (c) otherwise denies the paragraph.
66. As to paragraph 66, Star:
- (a) refers to the full terms and effect of sections 84(2)(c) and 85(2)(c) of the *AML/CTF Act* and paragraphs 8.7.1 and 9.7.1 of the AML/CTF Rules as they stood from the beginning of the Relevant Period until approximately 12 January 2018;

- (b) refers to and repeats paragraphs 57 to 65 above; and
- (c) otherwise denies the paragraph.

67. As to paragraph 67, Star:

- (a) refers to the full terms and effect of sections 84(2)(c) and 85(2)(c) of the *AML/CTF Act* and paragraphs 8.7.1 and 9.7.1 of the AML/CTF Rules as they stood from approximately 12 January 2018 until the end of the Relevant Period;
- (b) refers to and repeats paragraphs 57 to 66 above; and
- (c) otherwise denies the paragraph.

D.2.2. Ongoing customer due diligence

68. As to paragraph 68, Star:

- (a) refers to the full terms and effect of sections 32, 36(1), 84(2)(c) and 85(2)(c) of the *AML/CTF Act* and paragraph 4.1.3 of the AML/CTF Rules as they stood throughout the Relevant Period;
- (b) refers to and repeats paragraphs 57 to 67 above;
- (c) says that the Star Reporting Entities and EEIS were required to comply with the requirements set out in subparagraph (a) above; and
- (d) otherwise denies the paragraph.

69. As to paragraph 69, Star:

- (a) refers to the full terms and effect of sections 84(2)(c) and 85(2)(c) of the *AML/CTF Act* and parts 4.2, 4.11, 4.13 and Chapter 15 of the AML/CTF Rules as they stood throughout the Relevant Period;
- (b) refers to and repeats paragraphs 57 to 67 above;
- (c) say that the Star AML/CTF Program and the EEIS AML/CTF Program were required to include the matters set out at subparagraphs 69(a)-(i) of the ASOC; and

(d) otherwise denies the paragraph.

70. As to paragraph 70, Star:

(a) refers to the full terms and effect of sections 41, 84(2)(c) and 85(2)(c) of the *AML/CTF Act* and paragraphs 15.4-15.10 of the AML/CTF Rules as they stood throughout the Relevant Period;

(b) refers to and repeats paragraphs 57 to 67 above;

(c) says that at all material times, the Star AML/CTF Program and the EEIS AML/CTF Program were required by paragraph 15.4 of the AML/CTF Rules (in conjunction with section 85(2) of the *AML/CTF Act*) to have a transaction monitoring program in the Joint Part A Program that:

(i) included appropriate risk-based systems and controls to monitor the transactions of customers;

(ii) had the purpose of identifying, having regard to ML/TF risk, any transaction that appears to be suspicious for the purposes of section 41 of the *AML/CTF Act*; and

(iii) had regard to complex, unusual large transactions and unusual patterns of transactions, which have no apparent economic or visible lawful purpose; and

(d) otherwise denies the paragraph.

D.2.3. Reporting and record keeping

71. As to paragraph 71, Star:

(a) refers to the full terms and effect of sections 41 to 46, 84(2)(c) and 85(2)(c) of the *AML/CTF Act* as they stood throughout the Relevant Period;

(b) refers to and repeats paragraphs 57 to 67 above;

- (c) says that the Star Reporting Entities and EEIS were required to make the reports set out at subparagraphs 71(a) to (c) of the ASOC to the extent required to do so pursuant to sections 41 to 46 of the *AML/CTF Act*; and
- (d) otherwise denies the paragraph.

D.2.4. AUSTRAC’S powers and approach to enforcement

72. As to paragraph 72, Star:

- (a) refers to and repeats paragraphs 57 to 71 above;
- (b) refers to and relies on the full terms and effect of sections 75, 190 and 191 of the *AML/CTF Act*; and
- (c) otherwise denies the paragraph.

73. As to paragraph 73, Star:

- (a) says that the document published by AUSTRAC titled ‘AUSTRAC enforcement strategy 2012-14’ states at page 5:

‘The AUSTRAC CEO is more likely to take enforcement action where a reporting entity’s breach is systemic and impacts on the overall AML/CTF compliance systems of the reporting entity or on the objectives of the AML/CTF regime. For example, where a reporting entity’s non-compliance is serious and has the potential to have a negative impact on the integrity of the financial system.’

and

‘One of the factors which the AUSTRAC CEO will consider when determining whether to initiate enforcement action is the impact of the reporting entity’s non-compliance on its ML/TF risk exposure and, consequently, on the overall integrity of the financial system and the administration of justice’

- (b) says that the document published by AUSTRAC titled ‘*AUSTRAC’s approach to regulation*’ identifies at page 3 that AUSTRAC’s overarching approach to regulation includes:

‘Apply a forceful and credible deterrent to serious and systemic non-compliance to maintain public confidence in Australia’s AML/CTF regulatory framework and financial system, prevent future non-compliance, and ensure that businesses which meet their AML/CTF obligations are not disadvantaged.’; and

- (c) otherwise denies the paragraph.

74. Star admits paragraph 74.

D.3. Consequences of Star contravening its regulatory obligations

75. Star denies paragraph 75.

E. STAR’S STATEMENTS TO THE MARKET

E.1. Star’s statements in 2014

76. Star admits paragraph 76.

77. As to paragraph 77, Star:

- (a) says that it provided the ABC with a document titled ‘Echo Entertainment Operator of Star Casino Response to Four Corners’, by way of response to questions put to Star by Four Corners, and which was subsequently published by Four Corners, not Star, and which:

- (i) was made publicly available on the Four Corners’ Program’s website on or around the time the 2014 Four Corners Report was published; and
- (ii) stated that:

‘Casinos operate in a highly regulated environment in Australia. The Star goes well beyond the legislative requirements when it comes to the

checks it undertakes on who it has dealings with, as well as its monitoring and reporting of junket activities. The Star does not tolerate illegal or undesirable activity and will continue to undertake its own stringent probity checks and work pro-actively with law enforcement and all relevant regulatory authorities, including ILGA and AUSTRAC. As reported in the 2011 mandatory casino licence review, “AUSTRAC...considered The Star to be co-operative at all times and compliant and willing to engage with AUSTRAC on its obligations. AUSTRAC rated The Star more favourably than other casinos”.’ and

- (b) otherwise denies the paragraph.

Particulars

‘Echo Entertainment Operator of Star Casino Response to Four Corners’ (STA.7000.0001.6186)

78. As to paragraph 78, Star:

- (a) will rely on the full terms and effect of the 2014 Annual Report at trial;
- (b) says that the 2014 Annual Report contained statements to the effect alleged in subparagraphs 78(a), (b) (i.e. the **Structured Approach Statement**), (c)(i) to (v), (d) (i.e. the **Code of Conduct Statements**), (e) (i.e. the **Regulator Clearance Statement**), (f) (i.e. the **Whistleblower System Statements**), (g) (i.e. the **BRCC Statements**) and (h)(ii) to (h)(iii) of the ASOC;
- (c) says that the 2014 Annual Report contained the following investment warning at page 114 (**Investment Warning**):

‘This Annual Report may include forward looking statements and references which, by their very nature, involve inherent risks and uncertainties. These risks and uncertainties may be matters beyond Echo

Entertainment's control and could cause actual results to vary (including materially) from those predicted.

Forward looking statements are not guarantees of future performance.

Past performance of shares is not indicative of future performance and should not be relied upon as such. The value of investments and any income from them is not guaranteed and can fall as well as rise. Echo Entertainment recommends that investors make their own assessments and seek independent professional advice before making investment decisions.'

- (d) says further that Star's Code of Conduct established the behaviour that was expected from all employees, directors and contractors, including the maintenance of ethical standards, honesty, teamwork, fairness, courtesy and integrity; and
- (e) otherwise denies the paragraph.

E.2. Star's statements in 2015

79. As to paragraph 79, Star:

- (a) will rely on the full terms and effect of the 2015 Annual Report at trial;
- (b) says that the 2015 Annual Report contained the Investment Warning on page 113;
- (c) in response to subparagraphs 79(a)(i)-(ii), says that the full statement was as follows in the 'Our Communities' section in the 2015 Annual Report:

'Partnerships with charities, community groups and sporting organisations extend Echo Entertainment's commitment to responsible corporate citizenship beyond the provision of safe and compliant entertainment venues.'

Fostering local spirit, by supporting events that resonate with relevant cities and regions, aligns with Echo Entertainment's goal of being a valued participant in the broader community.'

- (d) says that the 2015 Annual Report contained statements to the effect alleged in subparagraph 79(a)(iv);
 - (e) as to subparagraph 79(b):
 - (i) says that the allegation in subparagraph 79(b) is vague and embarrassing insofar as 'Structured Risk Approach Statement' is not defined; and
 - (ii) says that the statement under the heading '2.7 Risk Management' in the 2015 Annual Report is as set out in Item 5 of Annexure A to this Defence;
 - (f) in response to subparagraph 79(c), says that the statement 'no material compliance or risk breaches' was commentary given in response to the category 'Customer, Stakeholder and Sustainability performance' within a table setting out the FY2015 Group Key Performance Indicators; and
 - (g) otherwise denies the paragraph.
80. As to paragraph 80, Star:
- (a) will rely on the full terms and effect of the 2015 Corporate Governance Statement at trial;
 - (b) refers to and repeats paragraph 78 above;
 - (c) says that the 2015 Corporate Governance Statement contained statements to the effect alleged in subparagraphs (b) (i.e. the **Board Knowledge and Experience Statements**) and (g) (i.e. the **Updated Risk Management Statements**) and to the effect of the Code of Conduct Statements, the Regulator Clearance Statement, the Whistleblower System Statements and the BRCC Statements; and

(d) otherwise denies the paragraph.

81. Save to say that it will rely on the full terms of the 2015 AGM Chairman & CEO Address to Shareholders, Star admits paragraph 81.

E.3. Star's statements in 2016

82. As to paragraph 82, Star:

- (a) will rely on the full terms and effect of the 2016 Annual Report at trial;
- (b) says that the 2016 Annual Report contained statements to the effect alleged in subparagraph 82(a) and to the effect of the Structured Approach Statement;
- (c) in response to subparagraph 82(b), says that the statement under the heading '2.7 Risk Management' in the 2016 Annual Report is as set out in Item 9 of Annexure A to this Defence;
- (d) in response to subparagraph 82(c), says that the statement 'no material compliance or risk breaches' was commentary given in response to the category 'Governance' within a table setting out the FY2015 Group Key Performance Indicators;
- (e) says further that the 2016 Annual Report contained the Investment Warning (with references to Echo Entertainment updated to The Star Entertainment Group) on page 128; and
- (f) otherwise denies the paragraph.

83. As to paragraph 83, Star:

- (a) will rely on the full terms and effect of the 2016 Corporate Governance Statement at trial;
- (b) refers to and repeats paragraphs 78 and 80 above;
- (c) says that the 2016 Corporate Governance Statement contained statements to the effect alleged in subparagraphs 83(b)(i)-(ii) (i.e. the **Updated Board**

Knowledge and Experience Statements) and (f)(ii) and to the effect of the Board Knowledge and Experience Statements, the Code of Conduct Statements, the Regulator Clearance Statement and the Whistleblower System Statements;
and

(d) otherwise denies the paragraph.

E.4. Star's statements in 2017

84. As to paragraph 84, Star:

- (a) will rely on the full terms and effect of the 2017 Annual Report at trial;
- (b) as to subparagraph 84(a), says that the statement 'no material compliance or risk breaches' was commentary given in response to the category 'Governance, risk and stakeholder management' within a table setting out the FY2017 'Performance outcomes against strategic priorities and key performance indicators';
- (c) says that the 2017 Annual Report contained statements to the effect set out in subparagraphs 84(b), (d)(ii), (e) (i.e. the **Geo-political and Regulatory Changes Risk Statements**), (f)(i) and (f)(ii) and to the effect of the Structured Approach Statement;
- (d) as to subparagraph 84(c), says that the statement under the heading '2.7 Risk Management' in the 2017 Annual Report is as set out in Item 10 of Annexure A to this Defence;
- (e) says further that the 2017 Annual Report contained the Investment Warning on page 136; and
- (f) otherwise denies the paragraph.

85. As to paragraph 85, Star:

- (a) refers to and repeats paragraphs 78, 80 and 83 above;

- (b) will rely on the full terms and effect of the 2017 Corporate Governance Statement at trial;
 - (c) says that the 2017 Corporate Governance Statement contained statements to the effect of the Updated Board Knowledge and Experience Statements, the Code of Conduct Statements, the Regulator Clearance Statement, the Whistleblower System Statements and the Updated Risk Management Statements; and
 - (d) otherwise denies the paragraph.
86. Save to say that it will rely on the full terms of the 2017 Star Entertainment Group Ltd Earnings Presentation, Star admits paragraph 86.
87. Save to say that it will rely on the full terms of the Preliminary 2017 Star Entertainment Group Ltd Earnings Presentation, Star admits paragraph 87.

E.5. Star’s statements in 2018

88. Save to say that it will rely on the full terms of the Investor Day Presentation and Trading Update, Star admits paragraph 88.
89. As to paragraph 89, Star:
- (a) will rely on the full terms and effect of the 2018 Annual Report at trial;
 - (b) says that the 2018 Annual Report contained statements to the effect set out in subparagraph 89(a) and to the effect of the Structured Approach Statement and the Geo-political and Regulatory Changes Risk Statements;
 - (c) in response to subparagraph 89(b), says that the statement ‘no material compliance or risk breaches’ was commentary given in response to the category ‘Governance, risk and stakeholder management’ within a table setting out the FY2018 ‘Performance outcomes against strategic priorities and key performance indicators’;

- (d) in response to subparagraph 89(c), says that the statement under the heading ‘2.7 Risk Management’ in the 2018 Annual Report is as set out in Item 10 of Annexure A to this Defence;
- (e) as to subparagraphs 89(d) to (f), refers to and repeats paragraphs 78 and 84 above;
- (f) says further that the 2018 Annual Report contained the Investment Warning on page 145; and
- (g) otherwise denies the paragraph.

90. As to paragraph 90, Star:

- (a) will rely on the full terms and effect of the 2018 Corporate Governance Statement at trial;
- (b) says the 2018 Corporate Governance Statement contained statements to the effect set out in subparagraphs 90(c) (i.e. the **Updated Code of Conduct Statements**), (f) (i.e. the **Second Whistleblower System Statements**) and (g)(i)-(ii) and to the effect of the Updated Board Knowledge and Experience Statements, the Regulator Clearance Statement, the Whistleblower System Statements and the Updated Risk Management Statements;
- (c) refers to and repeats paragraphs 78, 80 and 83 above; and
- (d) otherwise denies the paragraph.

E.6. Star’s statements in 2019

91. Save to say that it will rely on the full terms and effect of the AFR report titled “Gambling regulators zone in on Crown”, Star admits paragraph 91.

92. As to paragraph 92, Star:
- (a) will rely on the full terms and effect of the Sydney Morning Herald newspaper report titled “Why not? Star CEO sticks with junket operator Suncity despite alleged criminal links”;
 - (b) as to subparagraph (a), says that the article stated:
‘Chief executive of The Star Entertainment Group Matt Bekier says the casino will continue to partner with Macau junket operator Suncity, despite the group’s alleged links to organised crime.’
and also stated:
‘Mr Bekier also said The Star would not be reviewing its use of junkets despite a recent investigation into Crown’s use of allegedly criminal-linked junkets.’
 - (c) admits subparagraphs (b) and (c); and
 - (d) otherwise denies the paragraph.
93. Save to say that it will rely on the full terms and effect of the AFR report titled “The Star Casino roped into scandal”, Star admits the paragraph.
94. As to paragraph 94, Star:
- (a) says that the article was published on 9 August 2019;
 - (b) admits subparagraphs (a) and (c);
 - (c) as to subparagraph (b), says that the article stated:
‘In a statement, The Star said it wanted to “make clear that junkets are legal” and, in Queensland, “all junket operators involved with The Star are approved to operate by the regulator”.
The company said it had a comprehensive anti-money laundering and counter-terrorism financing program regularly reviewed by authorities, and a 2011 review of its licence showed by Gail Furness SC showed that The Star had been

“co-operative at all times and compliant and willing to engage with AUSTRAC on its obligations”.’; and

(d) otherwise denies the paragraph.

95. Save to say that it will rely on the full terms of the Full Year 2019 Star Entertainment Group Ltd Earnings Presentation, Star admits paragraph 95.

96. As to paragraph 96, Star:

(a) as to subparagraph (a), says that the article contained the following statements:

‘Mr Bekier, speaking to The Australian after delivering the casino company’s annual results, said The Star’s share price showed that many market observers thought that it would be caught up in the serious allegations being made about the James Packer-backed Crown Resorts.’

“At this point we have not been called into any of these inquiries,”

Mr Bekier said, referring to a list of reviewed ordered on Crown.

“We operate in the same market but we try to run an absolutely clean and compliance business.”

...

Mr Bekier said that The Star – which operates casinos in Sydney,

Brisbane and the Gold Coast – conducted extensive due diligence on all junket and VIP players it engaged with.

...

Mr Bekier said the regulatory framework around junket use was “quite tight”. He added that if there were any concerns about any individual anyone from the federal police, casino regulator, border force control or financial intelligence regulator Austrac could force The Star to exclude that patron.

“There is more than just us looking at this space,” Mr Bekier said.

“Even though many players play at both casinos we still have to do our own due diligence. If we had concerns about these players they wouldn’t be playing with us.”

- (b) admits subparagraphs (b) and (c); and
- (c) otherwise denies the paragraph.

97. As to paragraph 97, Star:

- (a) will rely on the full terms and effect of the 2019 Annual Report at trial;
- (b) says that the 2019 Annual Report contained statements to the effect alleged in subparagraphs 97(a)(i) to (iv) and (d) (i.e. the **Updated Geo-political and Regulatory Changes Risk Statements**) and to the effect of the Structured Approach Statement;
- (c) in response to subparagraph (c), says that the statement under the heading ‘2.7 Risk Management’ in the 2019 Annual Report is as set out in Item 12 of Annexure A to this Defence;
- (d) as to subparagraphs (c) to (e), refers to and repeats paragraphs 78 and 84 above;
- (e) says further that the 2019 Annual Report contained the Investment Warning on page 146; and
- (f) otherwise denies the paragraph.

98. As to paragraph 98, Star:

- (a) will rely on the full terms and effect of the 2019 Corporate Governance Statement at trial;
- (b) says the 2019 Corporate Governance Statement contained statements to the effect alleged in subparagraph (e) (i.e. the **Updated Whistleblower System Statements**) and to the effect of the Updated Board Knowledge and Experience

Statements, the Updated Code of Conduct Statements, the Regulator Clearance Statement, the Second Whistleblower System Statements and the Updated Risk Management Statements;

(c) refers to and repeats paragraphs 78, 80, 83, 84 and 90 above; and

(d) otherwise denies the paragraph.

99. Save to say that it will rely on the full terms and effect of the 2019 GRI Report at trial, Star admits paragraph 99 (i.e. the **Corruption Policy Statements**).

E.7. Star's statements in 2020

100. Save to say that it will rely on the full terms and effect of the 2020 GRI Report at trial, Star admits paragraph 100.

101. As to paragraph 101, Star:

(a) will rely on the full terms and effect of the 2020 Annual Report at trial;

(b) says that the 2020 Annual Report contained statements to the effect alleged in subparagraphs 101(a) and (b) and to the effect of the Structured Approach Statement and the Updated Geo-political and Regulatory Changes Risk Statements;

(c) in response to subparagraph 101(c), says that the statement under the heading '2.7 Risk Management' in the 2020 Annual Report is as set out in Item 12 of Annexure A to this Defence;

(d) as to subparagraphs 101(c) to (g), refers to and repeats paragraphs 78, 84 and 97 above;

(e) says further that the 2020 Annual Report contained the Investment Warning on page 145; and

(f) otherwise denies the paragraph.

102. As to paragraph 102, Star:

- (a) will rely on the full terms and effect of the 2020 Corporate Governance Statement at trial;
- (b) says the 2020 Corporate Governance Statement contained statements to the effect of the Updated Board Knowledge and Experience Statements, the Updated Code of Conduct Statements, the Regulator Clearance Statement, the Updated Whistleblower System Statements, the Corruption Policy Statements and the Updated Risk Management Statements;
- (c) refers to and repeats paragraphs 78, 80, 83, 84, 90, 98 and 99 above; and
- (d) otherwise denies the paragraph.

E.8. Star's statements in 2021

103. As to paragraph 103, Star:

- (a) will rely on the full terms and effect of The Australian article titled "Star takes links with junkets off the table" at trial;
- (b) as to subparagraph 103(a), says that the article quoted O'Neill as saying:

"The inquiry was about Crown, the inquiry wasn't about us. There will be, obviously, some ramifications for the industry, so in that context, we'll be talking to Philip Crawford about what is intended and what ILGA's going to accept and the time frame in which they're going to execute those recommendations";

- (c) admits subparagraph (b); and
- (d) otherwise denies the paragraph.

104. Save to say that it will rely on the full terms and effect of the 10 May 2021 ASX Announcement, Star admits paragraph 104.

105. Save to say that it will rely on the full terms of the 2021 Full Year Results Presentation, Star admits paragraph 105.

106. As to paragraph 106, Star:

- (a) will rely on the full terms and effect of the 2021 Annual Report at trial;
- (b) says that the 2021 Annual Report contained statements to the effect alleged in subparagraphs 106(a) and 106(g) and to the effect of the Structured Approach Statement and the Updated Geo-political and Regulatory Changes Risk Statements;
- (c) in response to subparagraph 106(c), says that the statement under the heading '2.7 Risk Management' in the 2021 Annual Report is as set out in Item 18 of Annexure A to this Defence;
- (d) as to subparagraphs (b) to (e), refers to and repeats paragraphs 78, 84 and 97 above;
- (e) as to subparagraph (f), says that those statements were made in the context of individual key performance indicators;
- (f) says further that the 2021 Annual Report contained the Investment Warning on page 141; and
- (g) otherwise denies the paragraph.

107. As to paragraph 107, Star:

- (a) will rely on the full terms and effect of the 2021 Corporate Governance Statement at trial;
- (b) says the 2021 Corporate Governance Statement contained statements to the effect of the Updated Board Knowledge and Experience Statements, the Updated Code of Conduct Statements, the Regulator Clearance Statement, the Updated Whistleblower System Statements, the Corruption Policy Statements and the Updated Risk Management Statements;
- (c) refers to and repeats paragraphs 78, 80, 83, 84, 90, 98 and 99 above; and

(d) otherwise denies the paragraph.

108. As to paragraph 108, Star:

- (a) will refer to the full terms and effect of the ASX announcement titled ‘Response to Media Reports’ at trial;
- (b) refers to and repeats paragraph 206 below;
- (c) as to subparagraph (b), says that the ASX announcement stated:

“The Star is concerned by a number of assertions within the media reports that it considers misleading”

...

“The Star operates in a heavily regulated industry. We are subject to thorough and ongoing regulatory oversight including compliance checks and reviews across the company’s operations in NSW and Queensland.”;

and

(d) otherwise denies the paragraph.

109. As to paragraph 109, Star:

- (a) will refer to the full terms and effect of the 12 October 2021 ASX Announcement at trial;
- (b) refers to and repeats paragraph 206 below;
- (c) as to subparagraph 109(b), says that the ASX announcement stated:

“Recent media reports have asserted that reports prepared by KPMG in 2018 were kept secret and not adequately acted on. These assertions are incorrect.

The relevant reports relate to the regular independent review of The Star’s AML/CTF Program conducted in accordance with the AML/CTF Act and Rules. The reports, findings and outcomes from the review were considered by The Star (including the Board) and acted on. The actions

included The Star adopting an updated AML/CTF Program as a priority in October 2018, and undertaking a program of work to enhance its AML compliance framework, under the Board’s oversight.

Details of the review and resulting reports were shared with the AML/CTF regulator, AUSTRAC and referred to in a statement by The Star to the Bergin Inquiry. This information was also provided to the independent reviewer conducting the subsequent review to inform the assessments undertaken in the next review in 2020-2021.”; and

(d) otherwise denies the paragraph.

110. As to paragraph 110, Star:

(a) will rely upon the full terms and effect of the Chairman’s Address at the 2021 Annual General Meeting;

(b) refers to and repeats paragraph 108 above;

(c) says that during Star’s 2021 Annual General Meeting, O’Neill made statements to the effect alleged in paragraph 110(b) of the ASOC, save for subparagraph (b)(xii);

(d) as to subparagraph (b)(xii), says that O’Neill stated:

“It is therefore important to have an appropriate and effective regulatory framework in place to minimise potential issues.” ; and

(e) otherwise denies the paragraph.

111. Save to say that it will rely on the full terms and effect of the Managing Director and CEO’s Address at the 2021 Annual General Meeting, Star admits paragraph 111.

112. As to paragraph 112, Star:

(a) refers to and repeats paragraph 108 above; and

(b) save to say that it will rely on the full terms and effect of the 2021 AGM Presentation, admits paragraph 112.

E.9. Star’s statements via its website

113. As to paragraph 113, Star:

(a) says that:

- (i) in the Relevant Period, Star maintained a section of its website titled ‘Corporate Governance’;
- (ii) it will rely on the full terms and effect of statements published on the Corporate Governance webpage;
- (iii) in the period of March 2016 to February 2020 and in March 2022, the Corporate Governance webpage contained words to the effect alleged in subparagraph 113(a) and contained the documents alleged in subparagraph 113(b);
- (iv) in March 2021, the Corporate Governance webpage contained a statement that read as follows:

*“The Board of Directors of The Star Entertainment Group Limited (the **Company**) and management support the principles of good corporate governance. This is important given the highly regulated industry in which the Company and its subsidiaries and other controlled entities (collectively referred to as the **Group**) operate, and for the long-term sustainability of the Group’s businesses.”*; and

- (b) says that the Corporate Governance webpage was likely to come to the attention of the Star Shares Market; and
- (c) otherwise denies the paragraph.

114. Save to say that it will rely on the full terms of the various versions of the BRCC terms of reference that were in force in the period 2013 to June 2022, Star admits paragraph 114.
115. As to paragraph 115, Star:
- (a) says that the Risk and Compliance Committee terms of reference were made available on the Corporate Governance Webpage by no later than April 2014 and included statements to the effect alleged in subparagraphs 115(a)-(c) of the ASOC;
 - (b) will rely on the full terms and effect of the various versions of the Risk and Compliance Committee terms of reference that were in force in the period of 2013 to June 2022; and
 - (c) otherwise denies the paragraph.
116. Save to say that it will rely on the full terms of the various versions of the Code of Conduct that were in force during the period of 2011 to 2018, Star admits paragraph 116.
117. Save to say that it will rely on the full terms of the Code of Conduct that was approved on 1 March 2018, Star admits paragraph 117.
118. Save to say that it will rely on the full terms and effect of each version of the Compliance Policy and Framework that was in force throughout the Relevant Period, Star admits paragraph 118.

F. STAR'S REPRESENTATIONS

F.1. Model Casino Operator Representations

119. As to paragraph 119, Star:
- (a) refers to and repeats paragraphs 38 to 40, 76 to 90, 92, 93, 95-99, 101 to 104, 106, 107 to 113, 116, 117 and 118 above and paragraph 206 below;

- (b) denies the paragraph; and
- (c) says that, if the representations in the terms alleged in paragraph 119 were made (which is denied), any such representations were representations of opinion.

F.2. Regulatory Compliance Representations

120. As to paragraph 120, Star:

- (a) refers to and repeats paragraphs 38 to 40, 76-80, 82-98, 101, 102, 104, 106 to 113, 116, 117, 118 above and paragraph 206 below;
- (b) denies the paragraph; and
- (c) says that, if the representations in the terms alleged in paragraph 120 were made (which is denied), any such representations were representations of opinion.

F.3. Compliance and Risk Systems Representations

121. As to paragraph 121, Star:

- (a) refers to and repeats paragraphs 38 to 40, 76 to 102, 104 to 112, 115 to 117 above and paragraph 206 below;
- (b) denies the paragraph; and
- (c) says that, if the representations in the terms alleged in paragraph 121 were made (which is denied), any such representations were representations of opinion.

F.4. Corporate Governance Representations

122. As to paragraph 122, Star:

- (a) refers to and repeats paragraphs 38 to 40, 76 to 80, 83 to 85, 89 to 94, 96, 98, 101, 102, 106 to 117 above and paragraph 206 below;
- (b) denies the paragraph; and
- (c) says that, if the representations in the terms alleged in paragraph 122 were made (which is denied), any such representations were representations of opinion.

F.5. False Media Reports Representations

123. As to paragraph 123, Star:

- (a) refers to and repeats paragraphs 38 to 40, 76 to 77, 91, 94, 96 and 108 to 112 above and paragraph 206 below;
- (b) denies the paragraph; and
- (c) says that, if the representations in the terms alleged in paragraph 123 were made (which is denied), any such representations were representations of opinion.

F.6. Continuing Representations

124. As to paragraph 124, Star:

- (a) refers to and repeats paragraphs 119 to 123 above; and
- (b) denies the paragraph.

125. As to paragraph 125, Star:

- (a) refers to and repeats paragraphs 119 to 124 above; and
- (b) denies the paragraph.

G. THE TRUE POSITION

G.1. China UnionPay transactions

G.1.1. The CUP Process

126. Star admits paragraph 126.

127. As to paragraph 127, Star:

- (a) relies on the full terms and effect of the NAB Merchant Agreement;
- (b) admits subparagraph (e); and
- (c) otherwise denies the paragraph.

128. As to paragraph 128, Star:

- (a) refers to and repeats paragraph 127 above;
- (b) admits subparagraph (a); and

- (c) otherwise denies the paragraph.
129. As to paragraph 129, Star:
- (a) says that:
 - (i) from in or about June 2013 until about March 2020, TSPL adopted a practice of allowing some VIP customers to access funds from debit cards issued by China UnionPay for the purposes of gambling (**CUP Process**) at Star Sydney; and
 - (ii) from in or about 1 January 2017 until about March 2020, TSEQL adopted the CUP Process at The Star Gold Coast and Treasury;
 - (b) otherwise denies the paragraph; and
 - (c) says that in the balance of this Defence, it will plead to allegations in the ASOC using the term “CUP Process” subject to the above.
130. As to paragraph 130, Star:
- (a) says that TSPL used a CUP Process for transactions that occurred at Star Sydney in the manner alleged in subparagraphs 130 (a), (c) and (d) of the ASOC and which involved TSPL creating a valid cheque which contained the details of the bank account held by the customer and was signed by the customer (**Temporary CCF Process**); and
 - (b) otherwise denies the paragraph.
131. As to paragraph 131, Star:
- (a) refers to and repeats paragraphs 126, 128 and 129 above; and
 - (b) denies the paragraph.
132. As to paragraph 132, Star:

- (a) says that it was aware that there was a risk that ILGA may have considered that the Temporary CCF Process involved a prohibited provision of credit by TSPL; and
- (b) otherwise denies the paragraph.

G.1.2. Misleading representations made to ILGA

133. Star denies paragraph 133.

Particulars

The communications described in the particulars subjoined to paragraph 133 are from TSPL to ILGA.

G.1.3. Misleading representations made to NAB and/or China UnionPay

134. Star denies paragraph 134.

135. As to paragraph 135, Star:

- (a) refers to and repeats paragraph 134 above; and
- (b) denies the paragraph.

136. As to paragraph 136, Star:

- (a) refers to and repeats paragraphs 126 to 131, 134 and 135 above; and
- (b) denies the paragraph.

G.1.4. ML/TF Risk of CUP Process

137. Star admits paragraph 137.

138. As to paragraph 138, Star:

- (a) refers to and repeats paragraphs 36, 57 to 67 and 129 above;
- (b) says that, in the Relevant Period, the Star AML/CTF Part A Program did not include appropriate risk-based systems and controls that were capable of identifying, mitigating and managing ML/TF risks reasonably faced by Star

Reporting Entities with respect to designated services provided on front money accounts through the CUP Process; and

(c) otherwise denies the paragraph.

139. As to paragraph 139, Star:

(a) refers to and repeats paragraphs 33 to 37, 126 to 138 above; and

(b) otherwise denies the paragraph.

140. As to paragraph 140, Star:

(a) refers to and repeats paragraphs 48 to 52, 56 to 71, 129, 138 and 139 above;

(b) says that the CUP Process was not brought to the attention of Star's Board or the BRCC during the period in which the CUP Process was in operation;

(c) otherwise says that if, which is denied, the Casino Regulatory Obligations and AML/CTF Obligations existed in the manner pleaded in the ASOC, such obligations were not owed by Star or the Star Group; and

(d) denies the paragraph.

G.2. Dealings with the Suncity and the Iek Junket

G.2.1. Background

141. Star admits paragraph 141.

142. Star admits paragraph 142.

143. As to paragraph 143, Star:

(a) says that the Iek junket was one of the largest junkets (in terms of turnover) with which the Star Casino Entities dealt from the start of the Relevant Period until October 2020; and

(b) otherwise denies the paragraph.

144. As to paragraph 144:

- (a) says that by FY17, the Iek junket was the largest junket customer of the Star Casino Entities; and
- (b) otherwise denies the paragraph.

G.2.2. Rebate Agreements, Salon 95 and Salon 82

145. As to paragraph 145, Star:

- (a) will rely on the full terms and effect of the 2017 Suncity Rebate Agreement at trial;
- (b) admits subparagraphs (a) and (b);
- (c) as to subparagraph (c), says that it was a term of the 2017 Suncity Rebate Agreement that TSPL would retain sole operational and management control of Salon 95, including the operation of the Cage but says that a Cage was not in fact operated in Salon 95; and
- (d) otherwise denies the paragraph.

146. Star admits paragraph 146.

147. As to paragraph 147, Star:

- (a) as to subparagraph (a), says that between around January 2018 until around 1 September 2019, Salon 95 operated as a private gambling salon and was exclusively used by Iek junket participants;
- (b) admits subparagraphs (b) and (c); and
- (c) otherwise denies the paragraph.

148. As to paragraph 148, Star:

- (a) admits the paragraph insofar as it relates to the Iek junket; and
- (b) otherwise denies the paragraph.

149. As to paragraph 149, Star:

- (a) says that between 1 September 2019 until March 2020, Salon 82 operated as a private gambling salon;
- (b) says that the Iek junket was permitted to display the Suncity logo on TV monitors and display branded amenities such as ash trays and lighters; and
- (c) otherwise denies the paragraph.

G.2.3. Salon 95 Service Desk

150. As to paragraph 150, Star:

- (a) says that Salon 95 included a small office intended to operate as a service desk for Junket Participants and staffed by Iek junket representatives (**Salon 95 Service Desk**); and
- (b) otherwise denies the paragraph.

151. As to paragraph 151, Star:

- (a) refers to and repeats paragraph 150 above;
- (b) says that there were instances where Iek junket representatives at the Salon 95 Service Desk exchanged either cash for chips and/or chips for cash with junket participants and other persons;
- (c) says that there was a risk that the conduct described at subparagraph (b) above could amount to a breach by TSPL of its obligations as a casino operator and its obligations as a reporting entity for the purposes of the *AML/CTF Act*;
- (d) says that Star was aware of the risk identified at subparagraph (c) above from May 2018; and
- (e) otherwise denies the paragraph.

152. As to paragraph 152, Star:

- (a) says that Greg Hawkins, on behalf of TSPL, sent the First Suncity Warning Letter to Mr Iek;

- (b) refers to and relies upon the full terms and effect of the First Suncity Warning Letter; and
- (c) otherwise denies the paragraph.

Particulars

First Suncity Warning Letter: STA.3008.0004.0475

153. As to paragraph 153, Star:

- (a) says that Greg Hawkins, on behalf of TSPL, sent the Second Suncity Warning Letter to Mr Iek;
- (b) refers to and relies upon the full terms and effect of the Second Suncity Warning Letter; and
- (c) otherwise denies the paragraph.

Particulars

Second Suncity Warning Letter: STA.3008.0004.0199

G.2.4. Suncity's links to organised crime

154. As to paragraph 154, Star:

- (a) says that Andrew McGregor and Kevin Houlihan were aware of the following matters by no later than 28 November 2018:
 - (i) that New South Wales Police had conducted an investigation into several people associated with Suncity and Salon 95; and
 - (ii) that the outcome of that investigation was that a list of people would be subject to an exclusion order under s 81 of the *NSW CC Act*;
- (b) refers to and repeats paragraph 8(j) above; and
- (c) otherwise denies the paragraph.

155. Star admits paragraph 155.

156. As to paragraph 156, Star:

- (a) will rely on the full terms and effect of the HKJC Report;
- (b) says that the HKJC Report contained statements to the effect alleged in subparagraphs 156(a) to (f) of the ASOC; and
- (c) otherwise denies the paragraph.

157. Star admits paragraph 157.

158. Star admits paragraph 158.

G.2.5. Misleading representations made to ILGA

159. As to paragraph 159, Star:

- (a) says that on 12 October 2017, Stevens in his capacity as NSW Regulatory Affairs Manager for TSPL, sent an email to ILGA containing an application for approval which stated that:

“To enable the junket operators who use Salon 95 to provide better service for the junket participants, The Star proposes to open a service window into the wall of the junket operator’s office...

The purpose of these changes is to create a more customer friendly environment by installing a service desk in the salon and service window in the wall of the Junket Operator’s office.”

- (b) will rely on the full terms of the email and submission to ILGA;
- (c) says that on 21 November 2017, Stevens in his capacity as NSW Regulatory Affairs Manager for TSPL, sent an email to ILGA responding to ILGA’s email of the same date and stated as follows:

“The junket operator/representative is the person who ‘buys in’ on behalf of the all of the junket. They are the ones who draw the funds down and purchase rebate chips for use in the program. When the operator receives the chips they then provide those chips to the players,

who will then return them to the junket operator. The operator is the person who then 'rolls them over'. This is the exchange of premium chips for non neg chips at the gaming table. At the completion of the junket it is the operator who then presents all of the chips back to the casino for redemption. As part of the above processes the junket operator keeps records of which players have given or returned chips to them. The players may have provided their own funds to play or be using the junket operator's funds. Sometimes the junket operator will share some or all of the rebate earned through gaming with the players. The records kept by the operator enables them to keep track of what players have received chips and therefore owe funds to the operator and what chips they have then provided back to the operator. The junket operator will also receive requests for food, air fare, accommodation and tours etc from the players which may subsequently be relayed to us. Currently this provision of chips and the return of those chips takes place either at the gaming table or in the Junket Operators office. If it is at the table then there is a lack of privacy for the player, particularly when there are other players present. When it is in the office, this takes place in a fairly enclosed space where there may be other documentation or records on display which the junket operator does not want the players to see. By installing the desk and service window we are creating a more professional environments for these transactions to occur.”; and

- (d) otherwise denies the paragraph.

Particulars

As to paragraph 159(a), STA.3417.0078.6717 and STA.3417.0078.6726.

As to paragraph 159(c), STA.3418.0014.8070.

160. As to paragraph 160, Star:

- (a) refers to and repeats paragraph 159 above; and
- (b) denies the paragraph.

Particulars

Exchanging cash for chips (and vice versa) and/or operating a cage is a different activity to the buy-in for cash: Bell Inquiry Hearing Transcript, P-907.13 – P.909.4 (Day 8) (STA.9000.0008.0001)

161. As to paragraph 161, Star:

- (a) says that Power in his capacity as General Counsel for TSPL, sent an email to L&G NSW on 31 July 2019 stating:

“As for allegations relating that Crown was wilfully blind to the criminal activity of key business partners, we remain comfortable that The Star's processes are robust and that the findings of the review conducted by Dr Horton QC in November 2016 for the Independent Liquor and Gaming Authority hold true today.”

- (b) says that Power in his capacity as General Counsel for TSPL, sent a letter to L&G NSW on 10 September 2019 stating:

“Suncity Group Holdings Limited (Suncity Group) and its subsidiaries are not Junket Promoters or Junket Representatives at The Star Sydney. There is an approved Junket Promoter, Mr lek Kit Lon (Mr lek). Mr lek has a relationship with the Suncity Group. For instance, The Star's understanding is that Mr lek is (or at one point was) an employee of the Suncity Group.

Mr Chau is not a Junket Promoter or Junket Representative at The Star Sydney. Mr Chau has not engaged in premium play or participated on a Junket at The Star Sydney. Mr Chau holds a Cheque Cashing Facility (CCF) at The Star Sydney, which is used to fund Junket groups organised by Junket Promoter, Mr Iek. It is The Star's understanding that Mr Chau is the CEO of the Suncity Group.”; and

- (c) otherwise denies the paragraph.

Particulars

As to paragraph 161(a), STA.3008.0004.0667.

As to paragraph 161(b), STA.3002.0009.0298.

162. As to paragraph 162, Star:

- (a) refers to and repeats paragraph 161 above;
- (b) says that Mr Power’s letter of 10 September 2019 to ILGA was misleading insofar as it did not disclose the matters in his email dated 15 May 2018 to Mr Hawkins (STA.4311.0010.3560); and
- (c) otherwise denies the paragraph.

163. As to paragraph 163, Star:

- (a) refers to and repeats paragraphs 159 to 162 above; and
- (b) otherwise denies the paragraph.

164. As to paragraph 164, Star:

- (a) refers to and repeats paragraphs 159 to 163 above; and
- (b) denies the paragraph.

G.2.6. ML/TF Risk of Suncity and the Iek Junket

165. Star admits paragraph 165.

166. As to paragraph 166, Star:

- (a) repeats paragraphs 36, 57 to 67 and 151 above;
- (b) says that, in the Relevant Period, the Star AML/CTF Part A Program did not include appropriate risk-based systems and controls that were capable of identifying, mitigating and managing the ML/TF risks reasonably faced by TSPL with respect to designated services provided to and through the Iek junket at Salon 95 and/or Salon 82, including because:
 - (i) Salon 95 commenced operating prior to any AML/CTF risk assessment was conducted;
 - (ii) the controls identified in the AML/CTF risk assessment that was eventually conducted in respect of Salon 95:
 - A were deficient; and
 - B in any event, were not adequately implemented or operated;
 - (iii) TSPL did not adequately implement or operate:
 - A its procedure for identifying whether Kit Lon Iek and/or Alvin Chau were a ‘politically exposed person’ and associated ECDD; and
 - B appropriate risk-based transaction monitoring in Salon 95 and/or Salon 82; and
- (c) otherwise denies the paragraph.

167. As to paragraph 167, Star:

- (a) refers to and repeats paragraph 166 above;
- (b) says that the risk assessments and reviews performed by TSPL in the Relevant Period in relation to Salon 95, Salon 82, Suncity, the Iek junket and/or Alvin Chau were deficient; and
- (c) otherwise denies the paragraph.

Particulars

Risk Assessment regarding Suncity Service Desk dated 27 April 2018 (STA.3008.0004.0607)

Third party report – Alvin Chau Cheok Wa by Lisle Security dated 1 June 2016 (STA.3400.0001.0676)

Third party report – Iek Kit Lon by Lisle Security dated 13 November 2017 (STA.3427.0038.7416)

168. As to paragraph 168, Star:

- (a) refers to and repeats paragraphs 57 to 71, 166 and 167 above; and
- (b) otherwise denies the paragraph.

169. As to paragraph 169, Star:

- (a) refers to and repeats paragraphs 33 to 37 and 141 to 168 above; and
- (b) otherwise denies the paragraph.

170. As to paragraph 170, Star:

- (a) says that:
 - (i) the manner in which Salon 95 and/or Salon 82 were operating; and/or
 - (ii) the Star Group's relationship with Suncity and/or the Iek junket, was not clearly brought to the attention of the Star's Board or the BRCC;
- (b) otherwise says that if, which is denied, the Casino Regulatory Obligations and AML/CTF Obligations existed in the manner pleaded in the ASOC, such obligations were not owed by Star or the Star Group; and
- (c) otherwise denies the paragraph.

G.3. Dealings with junkets and high value customers

171. Star denies paragraph 171.

172. Star denies paragraph 172.

173. Star denies paragraph 173.

174. Star denies paragraph 174.

175. As to paragraph 175, Star:

- (a) refers to and repeats paragraphs 36, 60, 63, 171 to 174 above;
- (b) denies the paragraph.

176. As to paragraph 176, Star:

- (a) refers to and repeats paragraphs 171 to 175 above; and
- (b) denies the paragraph.

G.4. Use of overseas payment channels

G.4.1. Bank of China - Macau

177. As to paragraph 177, Star:

- (a) says that TSEQL, between 22 November 2013 and 31 December 2017, and TSPL, between 27 February 2015 and 31 December 2017, maintained accounts with the Bank of China – Macau branch for the purpose of accepting cash deposits from customers to repay a cheque cashing facility established by Star Casino Entities and/or advance Front Money to Star Casino Entities (the **Star BOC Macau Bank Accounts**); and
- (b) otherwise denies the paragraph.

178. As to paragraph 178, Star:

- (a) says that on 28 February 2017 Gabriela Soares accompanied a patron of Star Casino Entities to BOC Macau and provided a source of funds letter to the bank which falsely described the source of funds to be deposited as funds of an entity within the Star Group;
- (b) says that the letter referred to in subparagraph (a) above appears to have been based on a template and Star does not know how many other letters of the same character were provided to BOC Macau; and

(c) otherwise denies the paragraph.

179. As to paragraph 179, Star:

(a) refers to and repeats paragraph 178 above; and

(b) denies the paragraph.

G.4.2. EEIS

180. As to paragraph 180, Star:

(a) says that EEIS was the account holder of five bank accounts with BOC Macau which were opened on 27 February 2015 and closed on 27 April 2018 (the **EEIS BOC Macau Bank Accounts**);

(b) admits subparagraphs (b) (being the **EEIS BOC HK Bank Accounts**) and (c) (being the **EEIS NAB Bank Accounts**); and

(c) otherwise denies the paragraph.

181. Star admits paragraph 181.

182. As to paragraph 182, Star:

(a) admits subparagraphs (a)(i), a(ii) and (b)(ii);

(b) says that Star was aware:

(i) by 25 May 2017, that if the Star BOC Macau Bank Accounts and the EEIS BOC Macau Bank Accounts were closed, it would present a significant issue in collecting outstanding gambling debts owed to Star Casino Entities;

(ii) by 26 September 2017, that there was a risk that the Star BOC Macau Bank Accounts and the EEIS BOC Macau Bank Accounts would either be closed by BOC or alternatively subject to enhanced due diligence; and

(c) otherwise denies the paragraph.

183. Star admits paragraph 183.

184. As to paragraph 184, Star:

- (a) says that from March 2018, it was aware that one purpose of members of the Star Group involved in implementing EEIS was to enable customers, particularly customers in North Asia, to make payments to Star Casino Entities for the repayment of gambling debts via an entity which was apparently unrelated to the casinos; and
- (b) otherwise denies the paragraph.

185. Star admits paragraph 185.

G.4.3. Koi Arrangements and use of third-party remittance service providers

186. As to paragraph 186, Star:

- (a) says that by November 2017, Star was considering the options identified in the 26 September 2017 Board Paper titled “IRB Strategy Update” (STA.5002.0003.1476) to collect outstanding gambling debts owed to Star Casino Entities; and
- (b) otherwise denies the paragraph.

187. As to paragraph 187, Star:

- (a) says that The Star Entertainment International Pty Ltd (**TSEIPL**) entered into a client management agreement dated 15 January 2018 (**Kuan Koi Client Management Agreement**) and a supplementary client management agreement dated 9 February 2018 (**Supplementary Kuan Koi Client Management Agreement**) with Koi (collectively, the **Initial Koi Arrangement**);
- (b) says that under the Initial Koi Arrangement, which was in place between January 2018 and April 2018:
 - (i) customers would transfer funds to Koi in Macau;

- (ii) an equal sum would be transferred from Koi's Star Sydney's Front Money account to repay gambling debts owed to Star Casino Entities by that customer;
 - (iii) the balance of Koi's Front Money account would be replenished to a balance of HKD\$90 million at the end of each month; and
 - (iv) TSEIPL would pay Koi a service fee of HKD\$2.7 million each month as consideration;
- (c) says further that, under the Supplementary Kuan Koi Client Management Agreement:
- (i) customers would transfer funds to Koi in Macau;
 - (ii) an equal sum would be transferred from Koi's Star Sydney's Front Money account either to repay gambling debts owed to Star Casino Entities by that customer or to advance purchase of non-redeemable gaming chips for use in Australia by that customer;
- (d) says that a modified arrangement was used between May 2018 and September 2019 (**Modified Koi Arrangement**), whereby:
- (i) customers would transfer funds to Koi in Macau;
 - (ii) third-party remittance service providers were used to deposit funds into the EEIS NAB bank account on behalf of Kuan Koi;
 - (iii) funds were remitted to either repay outstanding gambling debts owed to Star Casino Entities by that customer or in order to make front money available to that customer;
 - (iv) TSPL would reimburse customers for service fees incurred through payments to Koi;
 - (v) TSPL paid Koi a fee of 3.15% of the amount deposited as consideration;

- (e) relies upon the full terms and effect of the Kuan Koi Client Management Agreement and the Supplementary Kuan Koi Client Management Supplementary Agreement; and
- (f) otherwise denies the paragraph.

Particulars

Kuan Koi Client Management Agreement (STA.0012.0001.0001)

Supplementary Kuan Koi Client Management Agreement

(STA.3008.0006.4464)

188. As to paragraph 188, Star:

- (a) says that some overseas patrons of the Star Casino Entities used third party remitters and payments were accepted from the third party remitters to the EEIS NAB Bank Account and three accounts held by Star Casino Entities (two by TSPL, one by TSEQL) from May 2018 until March 2020 (**Standalone Use of Third-Party Remitters**); and
- (b) otherwise denies the paragraph.

189. As to paragraph 189, Star:

- (a) says that most of the funds deposited via third party remitters (including those used in conjunction with Mr Koi) were deposited into the EEIS NAB Bank Accounts; and
- (b) otherwise denies the paragraph.

G.4.4. ML/TF risk of Overseas Payment Channels

190. As to paragraph 190, Star:

- (a) says that, in the Relevant Period, a substantial amount of funds were transacted via the following channels (adopting the definitions of those channels contained in this Defence):

- (i) the Star BOC Macau Bank Accounts;
- (ii) the EEIS BOC Macau Bank Accounts;
- (iii) the EEIS BOC HK Bank Accounts;
- (iv) the EEIS NAB Bank Accounts;
- (v) the Initial Koi Arrangement;
- (vi) the Modified Koi Arrangement; and/or
- (vii) the Standalone Use of Third-Party Remitters,
(together, the **Overseas Payment Channels**);
- (b) otherwise denies the paragraph; and
- (c) says that in the balance of this Defence, it will plead to allegations in the ASOC using the term “Overseas Payment Channels” subject to the above.

191. As to paragraph 191, Star:

- (a) refers to and repeats paragraphs 36, 57 to 67 and 177 to 178 above;
- (b) in the Relevant Period, Part A of the Star AML/CTF Program and/or Part A of the EEIS AML/CTF Program did not include appropriate risk-based systems and controls that were capable of identifying, mitigating and managing the respective ML/TF risks reasonably faced by Star Reporting Entities and/or EEIS arising in connection with the Overseas Payment Channels (with the exception of the Standalone Use of Third-Party Remitters channel to the extent that channel was the three accounts held by the Star Casino Entities referred to at paragraph 188 above); and
- (c) otherwise denies the paragraph.

192. As to paragraph 192, Star:

- (a) refers to and repeats paragraphs 36, 57 to 71 and 191 above;

- (b) says that, in the Relevant Period, the Star Reporting Entities and EEIS did not apply appropriate risk-based transaction monitoring to transactions through the Star BOC Macau Bank Accounts, the EEIS BOC Macau Bank Accounts, the EEIS BOC HK Bank Accounts and the EEIS NAB Bank Accounts; and
- (c) otherwise denies the paragraph.

193. As to paragraph 193, Star:

- (a) refers to and repeats paragraphs 33 to 37 and 177 to 192 above; and
- (b) otherwise denies the paragraph.

194. As to paragraph 194, Star:

- (a) refers to and repeats paragraphs 191 to 193 above;
- (b) says that the paragraph is vague and embarrassing; and
- (c) under cover of that objection, denies the paragraph.

G.5. Deficiencies in Star's AML/CTF Programs

195. As to paragraph 195, Star:

- (a) refers to and repeats paragraph 60 above;
- (b) says that in the Relevant Period the Star AML/CTF Program did not establish appropriate AML/CTF risk awareness training for front line business functions;
- (c) says that the Star Reporting Entities adopted and implemented each of the recommendations made by KPMG in the KPMG Reports including with respect to training;
- (d) says further that a review of Part A and Part B of the Star AML/CTF Program was carried out by BDO in 2020 and the money laundering and counter-terrorism finance risk training was found to be compliant; and
- (e) otherwise denies the paragraph.

Particulars

KPMG Reports (STA.3001.0001.2750, STA.3001.0001.2802)

BDO Report (STA.3002.0001.1248, STA.3009.0010.0399)

196. As to paragraph 196, Star:

- (a) refers to and repeats paragraphs 57 to 67 and 72 above;
- (b) says that in the Relevant Period there were instances of inadequate resourcing, staffing and structure within AML/CTF compliance teams for the Star Reporting Entities and EEIS; and
- (c) otherwise denies the paragraph.

Particulars

KPMG Reports (STA.3001.0001.2750, STA.3001.0001.2802)

BDO Report (STA.3002.0001.1248, STA.3009.0010.0399)

197. As to paragraph 197, Star:

- (a) refers to and repeats paragraphs 36, 57 to 67, 138, 139, 166 to 169, 174, 175, 191, 192, 193, 195 and 196 above;
- (b) says that in 2018 the KPMG Reports identified that:
 - (i) *“SGR does not have an agreed and documented Risk Assessment Methodology which means that it may not be able to justify the ratings applied by its ML/TF Risk assessment.”;*
 - (ii) *“Jurisdictional risk is not adequately assessed.”;*
 - (iii) *“The Risk assessment does not consider terrorism financing as required by the AML/CTF Act and does not consider, in sufficient detail, the ML/TF risk posed by specific parts of the business where the ML/TF risk may be higher, e.g. Junkets.”;*

- (iv) *“SGR applies a default customer ML/TF risk rating of “Low” that has not been adequately explained or documented.”;*
- (v) *“The risk assessment...does not consider in sufficient detail the ML/TF risk posed by specific parts of the business, in particular where the ML/TF risk may be higher. Jurisdictional risk is not considered and some of the customer risk ratings applied appear to understate the level of ML/TF risk.”;*
- (c) says that the Star Reporting Entities adopted and implemented each of the recommendations made by KPMG which included the introduction of a Risk Management Framework and Risk assessment and the re-writing of the AML/CTF Program;
- (d) says further that the BDO Report identified that:
 - (i) the Star AML/CTF Program is effective in pursuit of its purpose having regard to the ML/TF risk Star Reporting Entities may reasonably face;
and
 - (ii) Star Reporting Entities have complied with the Star AML/CTF Program;
and
- (e) otherwise denies the paragraph.

198. As to paragraph 198, Star:

- (a) refers to and repeats paragraphs 57 to 67, 138, 166, 167, 168, 174, 191, 192, 195, 196 and 197 above;
- (b) in the Relevant Period, there were instances of the Star Reporting Entities and EEIS not implementing or undertaking KYC, OCDD and/or ECDD as required by their relevant Part A programs; and
- (c) otherwise denies the paragraph.

199. As to paragraph 199, Star:

- (a) refers to and repeats paragraphs 57 to 67 above;
- (b) says that, in the Relevant Period:
 - (i) transaction monitoring by the Star Reporting Entities was largely manual between November 2016 to November 2019;
 - (ii) there was no procedural document that set out how and what ECDD must be conducted and recorded by responsible AML/CTF personnel of the Star Reporting Entities, which led to inconsistent approaches among those staff;
 - (iii) the Star AML/CTF Part A Program did not sufficiently describe the Star Reporting Entities' reporting obligations with respect to Suspicious Matter Reporting (SMR) ;
 - (iv) the Star Reporting Entities' approach to IFTI reporting was inconsistent across the Star Casino Properties;
 - (v) the Cage Operations SOP did not include controls directed at ensuring that funds deposited to the credit of a patron came from that patron before 5 November 2021; and
 - (vi) quality assurance was not performed on SMRs; and
- (c) otherwise denies the paragraph.

200. As to paragraph 200, Star:

- (a) refers to and repeats paragraphs 33 to 37, 57 to 67, 72 and 195 to 199 above; and
- (b) otherwise denies the paragraph.

201. As to paragraph 201, Star:

- (a) refers to and repeats paragraphs 195 to 199 above; and
- (b) otherwise denies the paragraph.

G.6. Corporate governance deficiencies

202. As to paragraph 202, Star:

- (a) says the paragraph is vague and embarrassing; and
- (b) under cover of that objection:
 - (i) refers to and repeats paragraphs 52, 57 to 67, 72 above; and
 - (ii) denies the paragraph.

203. As to paragraph 203, Star:

- (a) refers to and repeats subparagraphs 52, 72, 133, 159 to 164 and 202 above;
- (b) in response paragraph 203(c), says that TSPL did not provide AUSTRAC with a copy of the KPMG Reports prior to 20 January 2020 because TSPL maintained claims for legal professional privilege from around September 2018 until 20 January 2020, which claims it accepts it was not entitled to maintain; and
- (c) otherwise denies the paragraph.

G.7. Regulatory Enforcement Action Consequences

204. As to paragraph 204, Star:

- (a) refers to and repeats paragraphs 52, 54, 56, 75, 126 to 203 above and paragraph 205A below; and
- (b) denies the paragraph.

205. As to paragraph 205, Star:

- (a) refers to and repeats paragraphs 72, 75, 126 above and paragraph 205A below; and
- (b) denies the paragraph.

205A. In further answer to paragraphs 75, 204 and 205, Star says that, between at least 29 March 2016 until the end of the Relevant Period, there was a risk of a change in the operating environment in which the Star Group operated that could significantly and

adversely affect Star, irrespective of the conduct of entities within the Star Group
(**Operating Risk Matters**).

Particulars

The Operating Risk Matters arose from:

- a) the nature of the business conducted by casinos;*
- b) the social licence upon which Star Casino Entities and other casino operators relied;*
- c) the highly regulated nature of the Australian casino industry, including statutory reviews of casino operators;*
- d) the complex and developing regulatory regimes governing Star Casino Entities, including both AML/CTF and casino regulation;*
- e) changes to regulatory enforcement strategies and priorities; and*
- f) changes to media focus.*

Further particulars will be provided following evidence.

H. 2021 STAR CHANNEL 9 REPORTS, SUBSEQUENT EVENTS AND SHARE PRICE REACTIONS

H.1. 2021 Star Channel 9 Reports

206. As to paragraph 206, Star:

- (a) will rely on the full terms and effect of the 2021 Star Channel 9 Reports at trial;
- (b) says that the 2021 Star Channel 9 Reports contained statements to the effect alleged in subparagraphs (a)(b), (h)-(u);
- (c) as to subparagraph (c), says that the 2021 Star Channel 9 Reports stated that “in 2018 global audit firm KPMG was commissioned by Star to provide two reports to the board’s audit committee”;

- (d) as to subparagraphs (d) to (g), says that the pleading is vague and embarrassing insofar as it is not clear whether those subparagraphs are alleged to be statements made in the 2021 Star Channel 9 Reports or the contents of the KPMG Reports; and
- (e) otherwise denies the paragraph.

H.2. Bell Inquiry

207. As to paragraph 207, Star:

- (a) will rely on the full terms and effect of the Bell Inquiry Announcement at trial;
- (b) says that:
 - (i) the Bell Inquiry Announcement stated:

“that the regular review of The Star Sydney, being undertaken by Mr Adam Bell SC in accordance with the Casino Control Act 1992 (NSW),”; and

- (ii) the attached ILGA Media Release stated that:

“The review, which is considering how effectively The Star is complying with its statutory obligations and whether it remains suitable to hold a casino licence, started four weeks ago after Adam Bell SC was appointed by the Independent Liquor & Gaming Authority (ILGA)”;

- (c) says that the Bell Inquiry Announcement contained a statement to the effect alleged in subparagraph (c);
- (d) says that statements to the effect of those alleged at subparagraphs (b), (d), (e) and (f) were contained in the ILGA Media Release attached to the Bell Inquiry Announcement; and
- (e) otherwise denies the paragraph.

208. As to paragraph 208, Star:

- (a) says that public hearings in the Bell Inquiry occurred between 17 March 2022 and 27 June 2022 (**Public Bell Inquiry Hearings**); and
- (b) otherwise denies the paragraph.

209. As to paragraph 209, Star:

- (a) says that a portion of the evidence given and/or the submissions made to the Bell Inquiry during the Public Bell Inquiry Hearings was publicly available and likely to come to the attention of the Star Shares Market; and
- (b) otherwise denies the paragraph.

H.3. Gotterson Inquiry

210. Star admits paragraph 210.

H.4. Admissions by Star during Bell Inquiry Hearings

211. As to paragraph 211, Star:

- (a) refers to and repeats paragraphs 48, 159 to 164 above;
- (b) as to subparagraph (a), says that Star and TSPL, by their counsel, made submissions to the Bell Inquiry to the following effect on 14 and 15 June 2022 (**Star Bell Inquiry Submissions**):
 - (i) that it was open to the Bell Inquiry to conclude that, as at the commencement of the Bell Inquiry, TSPL was not a suitable person to hold a casino licence;
 - (ii) that it was open to the Bell Inquiry to conclude that Star was not suitable to be a close associate of TSPL as at the commencement of the Bell Inquiry;
 - (iii) that it was accepted that TSPL showed intransigence in relation to the privilege claim over the KPMG Reports in the face of repeated

correspondence from AUSTRAC seeking the full KPMG Reports and failed to revisit and assess the correctness of that privilege claim over some 15 months;

- (iv) that a proper approach would have resulted in the correctness of those privilege claims being revisited and that Ms Martin ought to have obtained independent legal advice as to the correctness of the assertion of that privilege claim; and

- (c) otherwise denies the paragraph.

H.5. Subsequent events

212. Star admits paragraph 212.

213. Star admits paragraph 213.

214. Star admits paragraph 214.

215. Star admits paragraph 215.

216. Star admits paragraph 216.

217. Star admits paragraph 217.

218. Star admits paragraph 218.

219. Star admits paragraph 219.

H.6. Information and Star Share price reactions

220. As to paragraph 220, Star:

- (a) says that, following the 2021 Star Channel 9 Reports, the price of Star Shares declined; and

- (b) otherwise denies the paragraph.

221. Star denies paragraph 221.

222. As to paragraph 222, Star:

- (a) says that, following the Bell Inquiry Announcement, the price of Star Shares declined; and
 - (b) otherwise denies the paragraph.
223. Star denies paragraph 223.
224. As to paragraph 224, Star:
- (a) says that, following the Bell Inquiry Public Hearings, the price of Star Shares declined; and
 - (b) otherwise denies the paragraph.
225. Star denies paragraph 225.
226. As to paragraph 226, Star:
- (a) says that, following the Gotterson Inquiry Announcement and the Star Bell Inquiry Submissions, the price of Star Shares declined; and
 - (b) otherwise denies the paragraph.
227. Star denies paragraph 227.

I. STAR'S MISLEADING OR DECEPTIVE CONDUCT

228. As to paragraph 228, Star:
- (a) says that, to the extent that the representations pleaded at paragraphs 119 to 125 of the ASOC were made, which is denied, the making of those representations was conduct engaged in by Star:
 - (i) in relation to financial products within the meaning of section 1041H of the *Corporations Act*;
 - (ii) in trade or commerce in relation to financial services within the meaning of section 12DA of the *ASIC Act*; and
 - (iii) in trade or commerce within the meaning of section 18 of the *ACL*; and

- (b) says that ss 12AB(1)(a) and 12BA(5) of the *ASIC Act* do not exist and did not exist at any point during the Relevant Period; and
- (c) otherwise denies the paragraph.

229. As to paragraph 229, Star:

- (a) refers to and repeats paragraphs 119 to 205 and 228 above; and
- (b) denies the paragraph.

J. STAR'S CONTINUOUS DISCLOSURE CONTRAVENTIONS

230. As to paragraph 230, Star:

- (a) refers to and repeats paragraphs 119 to 205 above; and
- (b) denies the paragraph.

231. As to paragraph 231, Star:

- (a) refers to and repeats paragraph 230 above; and
- (b) denies the paragraph.

232. As to paragraph 232, Star:

- (a) refers to and repeats paragraphs 230 and 231 above; and
- denies the paragraph.

232A. In further answer to the ASOC, Star says that, between at least 29 March 2016 until the end of the Relevant Period, the Operating Risk Matters were generally known, including generally known to persons who commonly invest.

Particulars

The Operating Risk Matters:

a) consisted of readily observable matters;

b) were the subject of statements by Star to the market, including those at

Annexure A to this Defence;

c) were the subject of statements by Crown, including those at Annexure B to this Defence; and/or

d) consisted of deductions, conclusions and/or inferences made or drawn from either of the matters set out in particulars (a)-(c) above.

Further particulars will be provided following evidence.

233. As to paragraph 233, Star:

- (a) says that Star informed the ASX of certain matters during the Relevant Period;
- (b) says that it did not inform the ASX of the information pleaded at paragraph 230 of the ASOC as the ‘Material Information’; and
- (c) otherwise denies the paragraph.

Particulars

Star informed the ASX of the matters at Annexure A to this Defence.

234. As to paragraph 234, Star:

- (a) refers to and repeats paragraphs 230 to 233 above; and
- (b) denies the paragraph.

K. LOSS AND DAMAGE

K.1. Market-based causation

235. Star denies paragraph 235.

236. Star denies paragraph 236.

237. Star denies paragraph 237.

238. Star does not admit paragraph 238.

K.2. Reliance

239. Star denies paragraph 239.

K.3. Loss and damage

240. Star denies paragraph 240.

241. Star denies paragraph 241.

241A. In further answer to paragraph 241, Star:

- (a) says that, if (which is denied) Star engaged in the Contraventions alleged by the plaintiff, the matters pleaded by the plaintiff in paragraphs 235 to 238 of the ASOC would not, even if established, constitute any causal nexus sufficient to support a claim for compensation pursuant to any of sections 1041I, 1317HA or the *Corporations Act*, section 12GF of the *ASIC Act*, or section 236 of the *ACL*; and
- (b) says that, to the extent that the plaintiff or any group members establish liability as alleged in the ASOC (which is denied):
 - (i) shares in Star remained capable of being traded on 13 June 2022 and at all relevant times thereafter;
 - (ii) the plaintiff and group members could have sold any Star shares they held at any time after 13 June 2022;
 - (iii) on the plaintiff's claim, all information said to found the plaintiff and group members' claims was known or knowable from 13 June 2022 or shortly thereafter;
 - (iv) to the extent that the plaintiff or any group member suffered loss or damage after 13 June 2022 or shortly thereafter, that loss or damage:
 - A arose as a result of the plaintiff or group members' failure to mitigate their loss or damage; and/or
 - B arose as a result of the plaintiff or group members' failure to sell any Star Shares or interests in Star Shares that they held from 13 June 2022 or shortly thereafter; and

- (v) any loss or damage to which the plaintiff or a group member is entitled (which is denied) is limited to the loss or damage assessed as at 13 June 2022 or shortly thereafter.

K.4. Entitlement to relief

242. Star denies paragraph 242.

243. Star denies paragraph 243.

L. STAR'S CONDUCT CONTRARY TO THE INTERESTS OF ITS MEMBERS

244. Star denies paragraph 244.

245. Star denies paragraph 245.

246. As to paragraph 246, Star:

- (a) refers to and repeats paragraphs 244 and 245;
- (b) says that, if (which is denied) Star contravened section 232 of the *Corporations Act* as alleged at paragraphs 244 and/or 245 of the ASOC, the matters relied upon by the plaintiff as giving rise to loss and damage would not, even if established, constitute any causal nexus sufficient to support a claim for compensation pursuant to section 233 of the *Corporations Act* (to the extent such a claim is available, which is denied); and
- (c) otherwise denies the paragraph.

247. Star does not admit that the questions in paragraph 247 of the ASOC amount to or involve common issues of fact or law or that, to the extent that any such questions are common, that they are common to the Plaintiff and any or all Group Members.

247A. In answer to the whole of the ASOC, Star denies any entitlement of the Plaintiff and Group Members to the relief claimed or at all.

Dated: 19 March 2024

D F C THOMAS

J A FINDLAY

King & Wood Malletts

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King & Wood Malletts
Solicitors for the Defendant

ANNEXURE A – STAR'S STATEMENTS

Note: Where the only change is to change references from 'Echo' to 'The Star' or 'the Company', the statement has been treated as identical.

ITEM	WHERE MADE	STATEMENT
1.	<p>2014 Annual Report dated 29 September 2014 (STA.7000.0001.0137)</p> <p>2015 Annual Report dated 30 September 2015 (STA.7000.0001.0198)</p> <p>2016 Annual Report dated 23 September 2016 (STA.7000.0001.0314)</p> <p>2017 Annual Report dated 22 September 2017 (STA.7000.0001.0447)</p> <p>2018 Annual Report dated 24 September 2018 (STA.7000.0001.0518)</p> <p>2019 Annual Report dated 18 September 2019 (STA.7000.0001.0666)</p> <p>2020 Annual Report dated 16 September 2020 (STA.7000.0001.0814)</p> <p>2021 Annual Report dated 24 September 2021 (STA.3001.0001.0010)</p>	<p>This Annual Report may include forward looking statements and references which, by their very nature, involve inherent risks and uncertainties. These risks and uncertainties may be matters beyond Echo Entertainment's control and could cause actual results to vary (including materially) from those predicted.</p> <p>Forward looking statements are not guarantees of future performance. Past performance of shares is not indicative of future performance and should not be relied upon as such. The value of investments and any income from them is not guaranteed and can fall as well as rise. Echo Entertainment recommends that investors make their own assessments and seek independent professional advice before making investment decisions</p>
2.	<p>2014 Annual Report dated 29 September 2014 (STA.7000.0001.0137)</p>	<p>Echo Entertainment's Board of Directors and management strongly support the principles of good corporate governance. This is particularly important given the highly regulated industry in which Echo Entertainment and its subsidiaries and other controlled entities (the Echo Group) operate, and for the long term sustainability of the Echo Group's businesses.</p>
3.	<p>2014 Annual Report dated 29 September 2014 (STA.7000.0001.0137)</p>	<p>The Group's approach to risk management is to identify and manage risks so that business activities align with the Group's risk appetite. This is achieved by a structured approach to the evaluation and management of strategic, people, financial and compliance risks and opportunities faced by the Group.</p>
4.	<p>2015 Full Year Results Announcement and Accounts</p>	<p>The group operates in a highly regulated environment subject to extensive government regulation in which failure to comply with changes to applicable laws and regulations (such as casino standards,</p>

	dated 12 August 2015 (STA.7000.0004.2585)	<p>taxation, disclosure requirements, and the Privacy Act) could impact on the Group's financial performance and brand reputation.</p> <p>A material breach of internal processes may result in violation of existing regulations which could also impact the Group's ability to maintain required licences or approvals. Changes in laws or regulations or the manner of their interpretation or enforcement could impact the Group's financial performance and restrict its ability to operate or execute its strategies.</p>
	2015 Annual Report dated 30 September 2015 (STA.7000.0001.0198)	
5.	2015 Annual Report dated 30 September 2015 (STA.7000.0001.0198)	<p>The Group's approach to risk management is to identify and manage risks so that business activities align with the Group's risk appetite. This is achieved by a structured approach to the evaluation and management of strategic, people, financial and compliance risks and opportunities faced by the Group. This approach is central to achieving the corporate objective of delivering long-term value to shareholders. The main business risks affecting the Group are set out below. The Group may also face a range of other risks from time to time in conducting its business activities. While it aims to manage risks in order to avoid adverse impacts on its financial standing, some risks are outside the control of the Group.</p> <p>...</p> <p>Geo-political changes</p> <p>Laws and regulations to ensure that gaming activity is free of corruption exist world-wide. The Company acknowledges that a change in government policy (either local or overseas) may impact the Group's operations. This political risk increases in jurisdictions where there is significant opposition to gaming. The Company has established a comprehensive regulatory assurance function and governance framework to ensure that it continues to monitor the regulations and environments in the jurisdictions which it operates, and to monitor adherence to internal processes to ensure compliance with existing regulations.</p>

6.	<p>2015 Corporate Governance Statement dated 30 September 2015 (STA.3402.0014.5462)</p> <p>2016 Corporate Governance Statement dated 23 September 2016 (STA.6001.0005.8897)</p>	<p>The Board requires management to design, implement and review the risk management and internal control system to manage Echo Group's material business risks and report to it on whether those risks are being managed effectively.</p> <p>The Echo Group has in place a risk management framework, policies and procedures, which set out the roles, responsibilities and guidelines for managing financial, legal, strategic and operational risks associated with the Echo Group's businesses. The Risk Management Framework is based on concepts and principles identified in the Risk Management Standard AS/NZS ISO 31000:2009. Its implementation and ongoing development is periodically reviewed by the Board Risk and Compliance Committee.</p> <p>Processes have been established to ensure that during each financial year the Echo Group's risks are reviewed to ensure that appropriate controls are in place and that there is appropriate allocation of responsibility within the business, so that potential occurrence and consequences of material business risks are effectively mitigated. The Risk and Compliance Committee provides oversight of the risk management process and ensures that the relevant internal controls are considered in the annual internal audit planning process.</p> <p>During the financial year, the Risk and Compliance Committee reviewed the Echo Group's Risk Management Framework and was satisfied that it continues to be sound and that it reflects the risk appetite set by the Board.</p>
7.	<p>2015 Corporate Governance Statement dated 30 September 2015 (STA.3402.0014.5462)</p>	<p>Echo Entertainment's Board of Directors and management strongly support the principles of good corporate governance. This is particularly important given the highly regulated industry in which Echo Entertainment and its subsidiaries and other controlled entities (the Echo Group) operate, and for the long term sustainability of the Echo Group's businesses.</p>
8.	<p>2016 Corporate Governance Statement dated 23 September 2016 (STA.6001.0005.8897)</p> <p>2017 Corporate Governance Statement dated 22 September 2017 (STA.3411.0016.4924)</p> <p>2018 Corporate Governance Statement dated 24 September 2018 (STA.6001.0010.2465)</p>	<p>The Star Entertainment Group's Board of Directors and management support the principles of good corporate governance. This is important given the highly regulated industry in which The Star Entertainment Group and its subsidiaries and other controlled entities (the Star Group) operate, and for the long term sustainability of the Star's businesses.</p>

	2019 Corporate Governance Statement dated 18 September 2019 (STA.5005.0001.0103)	
9.	2016 Annual Report dated 23 September 2016 (STA.7000.0001.0314)	<p>The Group takes a structured approach to identifying, evaluating and managing those risks which have the potential to materially affect achievement of strategic objectives. The commentary under Principle 7 of the Company's Corporate Governance Statement describes the risk management framework in place to underpin the enterprise wide approach to effective risk management. The Corporate Governance Statement can be viewed on the Company's website.</p> <p>The major risks facing the Group are set out below. The Group may also face a range of other risks from time to time in conducting its business activities. While it aims to manage risks in order to avoid adverse impacts on its financial standing, some risks are outside the control of the Group.</p> <p>Strategic risks</p> <ul style="list-style-type: none"> • The potential effect of increased competition in the Group's key markets of Sydney, Brisbane and the Gold Coast; • The failure to realise expected financial benefits from key growth projects; • Loss of key management personnel; and • Geopolitical risks affecting the ability of foreign nationals to travel to, or bring funds to, Australia. <p>Operational risks</p> <ul style="list-style-type: none"> • Loss of data security; • Business interruptions, including a failure of core IT systems or other events which limit the ability to operate from our properties; and • Matters affecting the health, safety and security of our employees and customers. <p>Regulatory risks</p> <ul style="list-style-type: none"> • A failure to comply with applicable laws; and • Changes in law affecting the operation of casinos in New South Wales or Queensland. <p>Financial risks</p> <ul style="list-style-type: none"> • An inability to access capital on reasonable terms.
10.	2017 Full Year Results Announcement and Accounts dated 23 August 2017 (STA.7000.0004.3428)	The Group takes a structured approach to identifying, evaluating and managing those risks which have the potential to affect achievement of strategic objectives. The commentary relating to Principle 7 in the Group's Corporate Governance Statement describes the Group's risk

	<p>2017 Annual Report dated 22 September 2017 (STA.7000.0001.0447)</p> <p>2018 Full Year Results Announcement and Accounts dated 24 August 2018 (STA.1004.0018.5578)</p> <p>2018 Annual Report dated 24 September 2018 (STA.7000.0001.0518)</p>	<p>management framework which is based on ISO31000, the international standard on risk management. The Corporate Governance Statement can be viewed on the Group's website.</p> <p>Details of the Group's major 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. 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12.	<p>2019 Full Year Results Announcement and Accounts dated 16 August 2019 (STA.7000.0004.2694)</p> <p>2019 Annual Report dated 18 September 2019 (STA.7000.0001.0666)</p> <p>2020 Full Year Results Announcement Accounts dated 20 August 2020 (STA.7000.0004.3110)</p> <p>2020 Annual Report dated 16 September 2020 (STA.7000.0001.0814)</p>	<p>The Group takes a structured approach to identifying, evaluating and managing those risks which have the potential to affect achievement of strategic objectives. The commentary relating to Principle 7 in the Group'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 Group's website.</p> <p>Details of the Group's major 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.</p> <table border="1"> <thead> <tr> <th>RISK AND DESCRIPTION</th> <th>MITIGATION STRATEGY</th> </tr> </thead> <tbody> <tr> <td> <p>[...]</p> <p>Effective management of key stakeholders</p> <p>The ability to engage with key stakeholders to satisfy their competing interests without compromising the Group's operations or achievement of the Group's strategic objectives</p> </td> <td> <p>[...]</p> <p>The Group has developed strong communication lines with a variety of stakeholder groups, including State governments in New South Wales and Queensland, regulators in both States, investors, media and unions. The Group has also developed strategic partnerships with a number of local community groups and charitable organisations.</p> </td> </tr> <tr> <td> <p>Geo-political and regulatory changes</p> <p>The potential effect of political or regulatory changes in Australia affecting the operation of casinos, or the potential effect of changes in the administration of laws in foreign countries affecting</p> </td> <td> <p>The Group continuously monitors for potential legislative changes or changes in relevant government policy in the States and countries in which it conducts business operations. This includes matters core to the integrity of gaming operations such as gaming regulatory compliance, responsible gaming and service of</p> </td> </tr> </tbody> </table>	RISK AND DESCRIPTION	MITIGATION STRATEGY	<p>[...]</p> <p>Effective management of key stakeholders</p> <p>The ability to engage with key stakeholders to satisfy their competing interests without compromising the Group's operations or achievement of the Group's strategic objectives</p>	<p>[...]</p> <p>The Group has developed strong communication lines with a variety of stakeholder groups, including State governments in New South Wales and Queensland, regulators in both States, investors, media and unions. The Group has also developed strategic partnerships with a number of local community groups and charitable organisations.</p>	<p>Geo-political and regulatory changes</p> <p>The potential effect of political or regulatory changes in Australia affecting the operation of casinos, or the potential effect of changes in the administration of laws in foreign countries affecting</p>	<p>The Group continuously monitors for potential legislative changes or changes in relevant government policy in the States and countries in which it conducts business operations. This includes matters core to the integrity of gaming operations such as gaming regulatory compliance, responsible gaming and service of</p>
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13.	2019 Corporate Governance 18 September 2019 (STA.5005.0001.0103)	<p>The Board requires management to design, implement and review the risk management and internal control system to manage the Group's material business risks and report to it on whether those risks are being managed effectively.</p> <p>The Group has in place a Risk Management Framework, policies and procedures, which set out the roles, responsibilities and guidelines for managing financial, legal, strategic and operational risks associated with the Group's businesses. The Risk Management Framework is based on concepts and principles identified in the Risk Management Standard AS/NZS ISO 31000:2009 and its implementation and ongoing development is periodically reviewed by the Risk and Compliance Committee.</p> <p>Processes have been established to annually review the Group's risks and provide assurance that appropriate controls are in place so that potential occurrence and consequences of material business risks are effectively mitigated.</p> <p>The Risk and Compliance Committee provides oversight of the risk management process and monitors the ongoing effectiveness of the relevant internal controls considered in the annual internal audit planning process.</p> <p>The Board Risk and Compliance Committee reviews the Group's Risk Management Framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the Board.</p>

14.	2021 Half Year Results Announcement, Accounts and Financial Calendar dated 18 February 2021 (STA.7000.0004.3046)	<p>Significant events after the end of the half year</p> <p>On 1 February 2021, the Honourable PA Bergin SC released her report from the inquiry conducted under section 143 of the Casino Control Act NSW (the Report) to the Independent Liquor and Gaming Authority in NSW (the Regulator). The Report has two main focus areas: first, the suitability of a Crown Resorts Limited subsidiary to hold a licence for the Sydney gaming facility at Barangaroo and of Crown Resorts Limited to be a 'close associate' of that licence holder, and second, the regulatory framework, including structure of the regulatory authority and legislative instruments applying to the operation of casinos in NSW. The Group will engage with the Regulator in relation to these recommendations. It is currently unknown when and to what extent they will be implemented. In relation to the International VIP Rebate business, the Group will continue to reduce junket related fixed costs to reflect the near and medium term outlook and further increase the focus on the International Premium Mass customers when the borders re-open.</p>
15.	2021 Half Year Results Presentation dated 18 February 2021 (STA.7000.0004.3076)	<p>Our priorities for the year ahead</p> <p>Bergin Inquiry Report</p> <ul style="list-style-type: none"> ◆ Engage with the regulator in relation to the recommendations of the Bergin Inquiry Report ◆ In relation to the International VIP Rebate business, SGR will continue to: <ul style="list-style-type: none"> • Review the business model • Reduce the fixed cost base • Increase the focus on IPM customers when the borders re-open
16.	2021 Full Year Results Announcement and Accounts dated 19 August 2021 (STA.7000.0004.2458)	<p>Looking forward into FY2022, management's focus will be on the following key areas:</p> <ul style="list-style-type: none"> • Regulatory and compliance <ul style="list-style-type: none"> ○ Responding to AUSTRAC Compliance Assessment Review outcome, including AUSTRAC enforcement investigation; ○ Continue to enhance anti-money laundering capabilities including through leveraging technology; ○ Reduce the fixed cost base of the International VIP Rebate business and increase focus on International Premium Mass and Direct Premium customers when the borders re-open; and ○ Advance roadmap towards cashless gaming alternatives.

17.	2021 Full Year Results Announcement and Accounts dated 19 August 2021 (STA.7000.0004.2458)	On 1 February 2021, the Honourable PA Bergin SC released her report from the inquiry conducted under section 143 of the Casino Control Act NSW to the Independent Liquor and Gaming Authority in NSW (the Regulator). The Report has two main focus areas: first, the suitability of a Crown Resorts Limited subsidiary to hold a licence for the Sydney restricted gaming facility at Barangaroo and of Crown Resorts Limited to be a 'close associate' of that licence holder, and second, the regulatory framework, including structure of the regulatory authority and legislative instruments applying to the operation of casinos in NSW. In response, the Group has ceased all international junket business for a period of time as we work with the regulator on a new regulatory framework, and is advancing a roadmap towards cashless gaming alternatives. Junket related fixed costs will continue to be reduced and greater focus placed on the International Premium Mass customers when the borders re-open.				
2021 Annual Report dated 24 September 2021 (STA.3001.0001.0010)						
18.	2021 Full Year Results Announcement and Accounts dated 19 August 2021 (STA.7000.0004.2458)	<p>The Group takes a structured approach to identifying, evaluating and managing those risks which have the potential to affect achievement of strategic objectives. The commentary relating to Principle 7 in the Group'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 Group's website.</p> <p>...</p> <p>Details of the Group's major 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.</p> <table border="1" data-bbox="679 1402 1436 1711"> <thead> <tr> <th data-bbox="679 1402 1038 1458">RISK AND DESCRIPTION</th> <th data-bbox="1046 1402 1436 1458">MITIGATION STRATEGY</th> </tr> </thead> <tbody> <tr> <td data-bbox="679 1469 1038 1711"> [...] Effective management of key stakeholders The ability to engage with key stakeholders to satisfy their competing interests without compromising the Group's operations or achievement of the </td> <td data-bbox="1046 1469 1436 1711"> [...] The Group has developed strong communication lines with a variety of stakeholder groups, including State governments in New South Wales and Queensland, regulators in both States, investors, media and unions. The Group has also developed strategic partnerships </td> </tr> </tbody> </table>	RISK AND DESCRIPTION	MITIGATION STRATEGY	[...] Effective management of key stakeholders The ability to engage with key stakeholders to satisfy their competing interests without compromising the Group's operations or achievement of the	[...] The Group has developed strong communication lines with a variety of stakeholder groups, including State governments in New South Wales and Queensland, regulators in both States, investors, media and unions. The Group has also developed strategic partnerships
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19.	<p>2021 Full Year Results Presentation dated 19 August 2021 (STA.3400.0008.0107)</p>	<p>Our priorities for the year ahead</p> <p>Legal, Regulatory and Compliance</p> <ul style="list-style-type: none"> • AUSTRAC – enforcement investigation – notified in June 2021 <ul style="list-style-type: none"> ○ The Star will co-operate fully with AUSTRAC in relation to requests for information and documents and the investigation ○ The Star continues to enhance its AML capabilities including leveraging technology • International VIP business repositioning – reduced the fixed cost base, will focus on IPM and Direct Premium customers when borders re-open • Cashless gaming – advance roadmap towards cashless gaming alternatives

20.	2021 Annual Report dated 24 September 2021 (STA.3001.0001.0010)	In looking ahead, our priorities for FY2022 are concentrated on maintaining safe and lean operations. In addition, we will focus on regulatory and compliance programs (including responsible gambling and anti-money laundering), strategic initiatives and major projects. On the regulatory and compliance front we will continue to advance a roadmap towards cashless gaming alternatives; engage with AUSTRAC on AML/CTF and further progress our Responsible Gambling program.						
21.	2021 Annual Report dated 24 September 2021 (STA.3001.0001.0010)	<p>The Group takes a structured approach to identifying, evaluating and managing those risks which have the potential to affect achievement of strategic objectives. The commentary relating to Principle 7 in the Group'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 Group's website.</p> <p>...</p> <p>Details of the Group's major 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.</p> <table border="1" data-bbox="679 1070 1453 2047"> <thead> <tr> <th data-bbox="679 1070 1038 1126">RISK AND DESCRIPTION</th> <th data-bbox="1046 1070 1453 1126">MITIGATION STRATEGY</th> </tr> </thead> <tbody> <tr> <td data-bbox="679 1137 1038 1451"> <p>[...] Effective management of key stakeholders The ability to engage with key stakeholders to satisfy their competing interests without compromising the Group's operations or achievement of the Group's strategic objectives</p> </td> <td data-bbox="1046 1137 1453 1451"> <p>[...] The Group has developed strong communication lines with a variety of stakeholder groups, including State governments in New South Wales and Queensland, regulators in both States, investors, media and unions. The Group has also developed strategic partnerships with a number of local community groups and charitable organisations.</p> </td> </tr> <tr> <td data-bbox="679 1462 1038 2047"> <p>Geo-political and regulatory changes The potential effect of political or regulatory changes in Australia affecting the operation of casinos, or 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.</p> </td> <td data-bbox="1046 1462 1453 2047"> <p>The Group continuously monitors for potential legislative changes or changes in relevant government policy in the States and countries in which it conducts business operations. This includes matters core to the integrity of gaming operations such as gaming regulatory compliance, responsible gaming and service of alcohol and Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Act Compliance. The Group has dedicated regulatory and compliance teams and a specialist AML & CTF compliance team that has recently enhanced the Group's AML & CTF risk management capabilities, including through dedicated IT systems development. The Group also</p> </td> </tr> </tbody> </table>	RISK AND DESCRIPTION	MITIGATION STRATEGY	<p>[...] Effective management of key stakeholders The ability to engage with key stakeholders to satisfy their competing interests without compromising the Group's operations or achievement of the Group's strategic objectives</p>	<p>[...] The Group has developed strong communication lines with a variety of stakeholder groups, including State governments in New South Wales and Queensland, regulators in both States, investors, media and unions. The Group has also developed strategic partnerships with a number of local community groups and charitable organisations.</p>	<p>Geo-political and regulatory changes The potential effect of political or regulatory changes in Australia affecting the operation of casinos, or 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.</p>	<p>The Group continuously monitors for potential legislative changes or changes in relevant government policy in the States and countries in which it conducts business operations. This includes matters core to the integrity of gaming operations such as gaming regulatory compliance, responsible gaming and service of alcohol and Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Act Compliance. The Group has dedicated regulatory and compliance teams and a specialist AML & CTF compliance team that has recently enhanced the Group's AML & CTF risk management capabilities, including through dedicated IT systems development. The Group also</p>
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<p>Geo-political and regulatory changes The potential effect of political or regulatory changes in Australia affecting the operation of casinos, or 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.</p>	<p>The Group continuously monitors for potential legislative changes or changes in relevant government policy in the States and countries in which it conducts business operations. This includes matters core to the integrity of gaming operations such as gaming regulatory compliance, responsible gaming and service of alcohol and Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Act Compliance. The Group has dedicated regulatory and compliance teams and a specialist AML & CTF compliance team that has recently enhanced the Group's AML & CTF risk management capabilities, including through dedicated IT systems development. The Group also</p>							

		<p>makes representations to governments and industry groups to promote effective, appropriate and consistent regulatory and policy outcomes.</p> <p>Corporate governance The ability to maintain a strong and effective governance structure which supports a culture of transparency, accountability, and compliance.</p> <p>The Group has well-defined governance framework which identifies the roles and responsibilities of the Board, the Board Committees and senior management. The Group also has a complementary set of key policies, compliance with which is monitored on an ongoing basis. The Group operates an integrated “3 lines of defence” 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 enterprise risk management and incident reporting systems.</p>
22.	2021 Annual Report dated 24 September 2021 (STA.3001.0001.0010)	<p>Looking forward into FY2022, management’s focus will be on the following key areas:</p> <ul style="list-style-type: none"> • Regulatory and compliance <ul style="list-style-type: none"> ○ Responding to AUSTRAC Compliance Assessment Review outcome, including AUSTRAC enforcement investigation; ○ Continue to enhance anti-money laundering capabilities including through leveraging technology; ○ Reduce the fixed cost base of the International VIP Rebate business and increase focus on International Premium Mass and Direct Premium customers when the borders re-open; and ○ Advance roadmap towards cashless gaming alternatives
23.	2021 Annual Report dated 24 September 2021 (STA.3001.0001.0010)	<p>As announced on 7 June 2021, on 4 June 2021, the Company was informed by AUSTRAC’s Regulatory Operations Team that it has identified potential serious non-compliance by The Star Pty Limited (The Star Sydney) with the Australian <i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act)</i> and the <i>Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No. 1) (AML/CTF Rules)</i>.</p> <p>The potential non-compliance includes concerns regarding ongoing customer due diligence, adopting and maintaining an AML/CTF Program and Compliance with Part A of that Program. These concerns have been identified in the course of a compliance assessment which was commenced by AUSTRAC in September 2019. The compliance assessment focused on The Star Sydney’s management of customers identified as high risk and politically exposed persons. The matter has been referred to AUSTRAC’s Enforcement Team, who will conduct an enforcement investigation.</p>

		<p>AUSTRAC has advised that it has not made a decision regarding the appropriate regulatory response that it may apply to The Star Sydney, including whether or not enforcement action will be taken. AUSTRAC has indicated that it will request information and documents from The Star as part of its investigation.</p> <p>The Star takes its anti-money laundering obligations very seriously and will fully co-operate with AUSTRAC in relation to its requests for information and documents and the investigation.</p> <p>While there is a prospect that AUSTRAC may take enforcement action, whether it will remain uncertain, as does the type of that enforcement action, including whether a financial penalty is involved.</p>
24.	AGM Chairman's Address and CEO's Address dated 28 October 2021 (STA.3447.0028.6841)	As a publicly listed company operating within a highly regulated industry, and holding casino licences in New South Wales and Queensland, we appreciate and understand the importance of effective regulatory frameworks, risk management, governance and compliance.
25.	AGM Chairman's Address and CEO's Address dated 28 October 2021 (STA.3447.0028.6841)	<p>Independent Review reports are expected to make recommendations for improvement, even where controls are adequate. These reviews are not generally published or otherwise made public – for very sound reasons.</p> <p>The 2018 review made a number of specific recommendations that The Star could implement to more effectively identify, manage and mitigate money laundering risks.</p> <p>The Star initiated a program to address all recommendations from the review. That program of work was conducted from mid-2018 to early 2020.</p> <p>The most recent regular independent review of The Star's AML program was commenced in late 2020.</p> <p>The first stage of this review was completed in July 2021, and all recommendations are being adopted by The Star, consistent with previous practice.</p> <p>The reviewer's findings included that, in their opinion, the AML program complies and has been effectively implemented.</p> <p>...</p> <p>Our focus on continuous improvement must, and will, continue as the external market continues to evolve and factors such as technology present new opportunities and challenges for our business.</p>
26.	2022 Half-Year Results Presentation dated 17 February 2022 (STA.7000.0004.2985)	<p>AUSTRAC – enforcement investigation – notified in June 2021, scope expanded January 2022</p> <ul style="list-style-type: none"> • The Star will continue to fully co-operate with AUSTRAC in relation to its requests for information and documents and the investigation • Continued investment to enhance AML capabilities

27.	2022 Appendix 4D & 2022 Half-Year Financial Report dated 17 February 2022 (STA.7000.0004.3019)	The Group takes its anti-money laundering obligations very seriously and will continue to fully co-operate with AUSTRAC in relation to its requests for information and documents and the investigation. While there is a prospect that AUSTRAC may take enforcement action, whether it will remain uncertain, as does the type of that enforcement action, including whether a financial penalty is involved.
28.	ASX Announcement dated 7 June 2021 (STA.3010.0001.0017)	<p>The Star Entertainment Group Limited (ASX code: SGR) (The Star) has been informed by AUSTRAC's Regulatory Operations Team that it has identified potential serious non-compliance by The Star Pty Limited (The Star Sydney) with the Australian Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act) and the Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No. 1) (AML/CTF Rules).</p> <p>The potential non-compliance includes concerns regarding ongoing customer due diligence, adopting and maintaining an AML/CTF Program and compliance with Part A of that Program. These concerns have been identified in the course of a compliance assessment commenced by AUSTRAC in September 2019, which focussed on The Star Sydney's management of customers identified as high risk and politically exposed persons over the periods 1 July 2015 – 30 June 2016 and 1 July 2018 – 30 June 2019. The matter has been referred to AUSTRAC's Enforcement Team, who will conduct an enforcement investigation.</p> <p>AUSTRAC has advised that it has not made a decision regarding the appropriate regulatory response that it may apply to The Star Sydney, including whether or not enforcement action will be taken. AUSTRAC has indicated that it will request information and documents from The Star as part of its investigation.</p> <p>The Star takes its anti-money laundering obligations very seriously and will fully co-operate with AUSTRAC in relation to its requests for information and documents and the investigation.</p>
29.	ASX Announcement dated 14 September 2021 (STA.3060.0008.0226)	<p>The Star Entertainment Group Limited (ASX code: SGR) (The Star) has been advised by the Independent Liquor & Gaming Authority (ILGA) that Adam Bell SC will undertake the next regular review of The Star Sydney in accordance with the Casino Control Act 1992 (NSW).</p> <p>The last review of The Star Sydney was conducted by Dr Horton QC and was completed in 2016. Adam Bell SC is expected to provide his report to ILGA late January 2022.</p> <p>The Star will fully co-operate with the review and any requests for information and documents.</p>
30.	ASX Announcement dated 11 October 2021 (STA.7000.0001.6481)	The Star is concerned by a number of assertions within the media reports that it considers misleading. There are constraints on publicly discussing specific individuals. We will take the appropriate steps to address all allegations with relevant state and federal regulators and

		<p>authorities, including Mr Adam Bell SC who is undertaking a regular review of The Star Sydney in accordance with the Casino Control Act 1992 (NSW).</p> <p>The Star operates in a heavily regulated industry. We are subject to thorough and ongoing regulatory oversight including compliance checks and reviews across the company's operations in NSW and Queensland. The Star also notes the recommendations of the Bergin Inquiry, which were supported by the NSW Government on 18 August 2021. These recommendations will impact the regulation of casinos in NSW and are supported by The Star.</p>
31.	<p>ASX Announcement dated 12 October 2021 (STA.7000.0001.6482)</p>	<p>The relevant reports relate to the regular independent review of The Star's AML/CTF Program conducted in accordance with the AML/CTF Act and Rules. The reports, findings and outcomes from the review were considered by The Star (including the Board) and acted on. The actions included The Star adopting an updated AML/CTF Program as a priority in October 2018, and undertaking a program of work to enhance its AML compliance framework, under the Board's oversight.</p> <p>Details of the review and resulting reports were shared with the AML/CTF regulator, AUSTRAC and referred to in a statement by The Star to the Bergin Inquiry. This information was also provided to the independent reviewer conducting the subsequent review to inform the assessments undertaken in that next review in 2020 - 2021.</p> <p>The Star will provide reports from independent reviews of The Star's AML/CTF Program and information relating to implementation of improvement programs and current practices to the five-year review of The Star Sydney being undertaken in accordance with the Casino Control Act 1992 (NSW) by Mr Adam Bell SC.</p> <p>...</p> <p>The most recent regular independent review of The Star's AML Program was commenced in late 2020, through which recommendations were made in the ongoing process of continuous improvement. The first stage of this review included, but was not limited to, examining the program of work completed in response to the 2018 review. This stage was completed in July 2021.</p> <p>All recommendations are being adopted by The Star, consistent with previous reviews.</p> <p>The reviewer found that "in their opinion:</p> <ul style="list-style-type: none"> • The AML/CTF Program is effective in pursuit of its purpose having regard to the ML/TF risk SGR may reasonably face • The AML/CTF Program complies with the Rules • The AML/CTF Program has been effectively implemented • SGR has complied with the AML/CTF Program."

		The Star remains committed to ongoing continuous improvement of its AML compliance. To this end, The Star continues to invest in improvements in systems, capability and resources.
32.	ASX Announcement dated 19 October 2021 (STA.3010.0001.0074)	The components of the review involving The Star's maintenance and administration of systems to counter money laundering and infiltration by organised crime will now be heard publicly. ... The Star welcomes the opportunity to fully co-operate with the review, in all manner required by Mr Bell SC. The Star will continue to comply with all requests for information and documents.
33.	ASX Announcement dated 14 January 2022 (STA.7000.0001.6485)	The Star has subsequently been advised by AUSTRAC that it has expanded the scope of its investigation to other entities within The Star group. AUSTRAC has advised that it has not made a decision regarding the appropriate regulatory response that it may apply to The Star, including whether or not enforcement action will be taken. AUSTRAC has advised that it will request information and documents from The Star as part of its investigation. The Star takes its anti-money laundering obligations very seriously and will fully co-operate with AUSTRAC in relation to its requests for information and documents and the investigation.
34.	ASX Announcement dated 18 March 2022 (STA.7000.0001.6486)	The Star Entertainment Group Limited (ASX code: SGR) (The Star) refers to the various media reports regarding evidence provided in the public hearings in connection with the review of The Star Sydney being undertaken in accordance with the Casino Control Act 1992 (NSW) by Mr Adam Bell SC (Review). As the Review is ongoing, The Star does not consider it appropriate at this stage to comment on matters which remain before the Review and which will be considered in that process. The Star remains committed to fully cooperating with the Review.
35.	ASX Announcement dated 8 April 2022 (STA.3402.0016.4300)	The Star Entertainment Group Limited (ASX code: SGR) (The Star) has been advised by the Independent Liquor & Gaming Authority (ILGA) that the deadline for provision of the report as part of the review of The Star Sydney being undertaken by Mr Adam Bell SC in accordance with the Casino Control Act 1992 (NSW) (Review), has been extended from 30 June 2022 to 31 August 2022. ... The Star will continue to fully cooperate with the Review.
36.	ASX Announcement dated 9 May 2022 (STA.5002.0009.1381)	The Star Entertainment Group Limited (ASX code: SGR) (The Star) is suspending all domestic and international rebate play programs and reconfirms a commitment to not dealing with junkets while it addresses issues arising from the ongoing review of The Star Sydney being

		<p>undertaken in accordance with the Casino Control Act 1992 (NSW) by Mr Adam Bell SC (Review).</p> <p>The Board has resolved to immediately suspend rebate programs for both domestic and international players across all its casinos until further notice. The Star will work with gaming regulators to address various identified risks as part of ongoing reviews of systems and processes.</p> <p>...</p> <p>The Star ended all junket programs in October 2020.</p>
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ANNEXURE B – CROWN'S STATEMENTS

ITEM	WHERE MADE	STATEMENT
1.	<p>2015 Annual Report dated 17 September 2015 (STA.7000.0004.4764)</p> <p>2016 Annual Report dated 19 September 2016 (STA.7000.0004.4916)</p> <p>2017 Annual Report dated 21 September 2017 (STA.7000.0004.5056)</p> <p>2018 Annual Report dated 21 September 2018 (STA.7000.0004.5196)</p> <p>2019 Annual Report dated 13 September 2019 (STA.7000.0004.4329)</p>	<p>The gaming industry is highly regulated and each of the casinos in which Crown has an interest is subject to extensive regulation under the laws, rules and regulations of the jurisdiction where it is located.</p>
2.	<p>31 July 2019 Message from Crown Resorts Board (STA.7000.0004.4754)</p>	<p>Crown operates in one of the most highly regulated industries in Australia and takes its responsibility to comply with its obligations very seriously.</p>
3.	<p>2019 Annual Report dated 13 September 2019 (STA.7000.0004.4329)</p>	<p>Crown operates in a highly regulated industry and is subject to regulatory approvals in the jurisdictions in which it conducts gaming operations.</p> <p>Systematic and/or serious breaches of legal or regulatory requirements may result in enforcement action in jurisdictions in which Crown has activities. This may have an adverse impact on Crown's operational and financial performance.</p>
4.	<p>2019 Annual Report dated 13 September 2019 (STA.7000.0004.4329)</p> <p>2020 Annual Report dated 18 September 2020 (STA.7000.0004.4508)</p>	<p>Crown operates in a highly regulated industry and is subject to regulatory approvals in the jurisdictions in which it conducts gaming operations. Crown's operations, financial performance and future prospects are dependent on the legal and regulatory frameworks in which it operates.</p> <p>Legislative and regulatory changes may have an adverse impact on Crown's operational and financial performance.</p>
5.	<p>2019 AGM Executive Chairman's address dated 24 October 2019 (STA.7000.0004.4325)</p>	<p>Our business is subject to ongoing review and monitoring by multiple State gaming regulators and Federal agencies. Crown has undergone multiple formal assessments by AUSTRAC on its compliance with its AML and CTF Programs, both in Melbourne and Perth. Every year, we</p>

		report many thousands of transactions to AUSTRAC in compliance with our obligations.
6.	2019 AGM Executive Chairman's address dated 24 October 2019 (STA.7000.0004.4325)	Crown is governed by more than 100 different pieces of legislation, regulations and government authorised policies. We have a strong record of cooperation with law enforcement bodies and regulators. Last year Crown received and responded to over 2,200 requests for information and footage from Commonwealth and State based agencies to assist in their investigations [...].
7.	2019 AGM Executive Chairman's address dated 24 October 2019 (STA.7000.0004.4325)	The Victorian and New South Wales regulators have taken a decision to examine issues raised in recent media reports and, out of respect for those inquiries, I won't, and can't, go into any detail. We look forward to fully cooperating as we have always done and addressing these allegations.
8.	Crown 2020 Half Year Results dated 19 February 2020 (STA.7000.0004.4758)	In addition, Crown is cooperating fully in relation to the various regulatory inquiries underway, including the New South Wales ILGA Inquiry. We operate in one of the most highly regulated industries and Crown is committed to improving our processes and systems in every respect. We look forward to working with regulators on any recommendations that may follow.
9.	2020 Annual Report dated 18 September 2020 (STA.7000.0004.4508)	The gaming industry is highly regulated and each of the casinos and gaming operations in which Crown has an interest is subject to extensive regulation under the laws, rules and regulations of the jurisdiction where it is located.
	2021 Annual Report dated 9 September 2021 (STA.7000.0004.5336)	
10.	2020 Annual Report dated 18 September 2020 (STA.7000.0004.4508)	Crown operates in a highly regulated industry and is subject to regulatory approvals in the jurisdictions in which it conducts gaming operations. Systematic and/or serious breaches of legal or regulatory requirements may result in enforcement action in jurisdictions in which Crown has activities. This may have an adverse impact on Crown's operational and financial performance.
11.	2021 AGM Chairman and CEO addresses dated 21 October 2021 (STA.7000.0004.4660)	The 2021 financial year ranks as one of the most challenging in Crown's history, with extensive impacts on our operations from the pandemic and unprecedented levels of public and regulatory scrutiny. ... In addition to the impact of the pandemic, Crown continues to face additional uncertainty from ongoing regulatory investigations.

12.	2021 Full Year Results Presentation dated 30 August 2021 (STA.7000.0004.4670)	Crown has throughout much of F21, and continues to be, under significant regulatory and public scrutiny. This includes the Bergin Inquiry and subsequent consultation process with ILGA, the Victorian and Western Australian Royal Commissions and AUSTRAC enforcement investigations.
13.	2021 Annual Report dated 9 September 2021 (STA.7000.0004.5336)	<p>Crown operates in a highly regulated industry and is subject to receiving and maintaining regulatory approvals in the jurisdictions in which it conducts gaming and non-gaming operations.</p> <p>Legislative and regulatory changes may have an adverse impact on Crown's operational and financial performance.</p>
14.	Update in relation to regulatory compliance matters dated 7 June 2021 (STA.7000.0004.5506)	<p>AUSTRAC enforcement investigation – Crown Perth</p> <p>Crown refers to its announcement of 19 October 2020 regarding the commencement of a formal enforcement investigation by AUSTRAC's Enforcement Team into the compliance of Crown Melbourne Limited with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act) and the Anti-Money Laundering and Counter-Terrorism Financing Rules 2007 (AML/CTF Rules).</p> <p>Crown has been informed by AUSTRAC's Regulatory Operations branch that it has identified potential serious non-compliance with the AML/CTF Act and AML/CTF Rules by Crown Perth. As a result, AUSTRAC has initiated a formal enforcement investigation into the compliance of Crown Perth.</p> <p>Crown Perth will fully co-operate with AUSTRAC in relation to this process.</p> <p>Historical breaches of the <i>Casino Control Act 1991 (Vic) (Casino Control Act)</i></p> <p>The Crown Board has recently received legal advice that a practice that existed at Crown Melbourne between 2012 and 2016 contravened section 68 of the Casino Control Act. This practice involved Crown receiving payment from debit or credit cards of international guests at Crown Melbourne's Crown Towers Hotel, with the funds then available to the patron for gaming at the Casino (the hotel card process). Section 68 of the Casino Control Act prohibits a casino operator from, in connection with any gaming or betting in the casino, providing money or chips as a part of a transaction involving a credit or a debit card. Crown transacted over \$160 million through the hotel card process, which ceased in November 2016.</p>

		<p>Crown is continuing its investigations into these matters, including whether it may have breached other laws by reason of the hotel card process.</p> <p>Crown has notified the VCGLR and the Victorian Royal Commission of the matters the subject of this release. Crown will also notify all other relevant regulators and the Western Australian Royal Commission of these matters. Crown will fully cooperate with any investigations into these matters.</p>
15.	<p>2021 Half Year Results Presentation dated 18 February 2021 (STA.7000.0004.4710)</p>	<p>Other Regulatory Processes</p> <ul style="list-style-type: none"> On 17 December 2020, the Victorian Minister for Consumer Affairs, Gaming and Liquor Regulation announced that she had requested the Victorian Commission for Gambling and Liquor Regulation (VCGLR) to bring forward the Seventh Casino Review into the Casino Operator and Licence (Crown Melbourne) On 16 February 2021, the Gaming and Wagering Commission of Western Australia (WA Commission) issued a statement that it will formally recommend that an independent inquiry under the Casino Control Act 1984 (WA) be established under the direction of the Minister for Racing, Gaming and Liquor into matters uncovered by the NSW ILGA Inquiry specific to the operations of Crown Perth Crown is also subject to a number of other regulatory investigations, including by AUSTRAC and the VCGLR Crown will fully co-operate in relation to these matters and will continue to engage with regulators in relation to Crown's Reform Agenda and any further remedial steps identified
16.	<p>2021 Half Year Results dated 18 February 2021 (STA.7000.0004.4737)</p>	<p>REGULATORY MATTERS</p> <p>On 17 December 2020, the Victorian Minister for Consumer Affairs, Gaming and Liquor Regulation announced that she had requested the Victorian Commission for Gambling and Liquor Regulation (VCGLR) to bring forward the Seventh Casino Review into the Casino Operator and Licence (Crown Melbourne).</p> <p>On 9 February 2021, the Commissioner's report of the inquiry under section 143 of the Casino Control Act 1992 (NSW) (Inquiry Report) was released which stated that Crown Sydney Gaming Pty Ltd (Crown Sydney Gaming) is not a suitable person to continue to give effect to the Restricted Gaming Licence in New South Wales and Crown is not a suitable person to be a close associate of the Licensee. The Inquiry Report outlines a pathway towards suitability to allow Crown to give effect to the Restricted Gaming Licence.</p> <p>The New South Wales Independent Liquor and Gaming Authority (ILGA) has since written to Crown stating that, having regard to the contents of the Inquiry Report, it presently considers that Crown Sydney Gaming is no longer a suitable person to give effect to the Restricted</p>

		<p>Gaming Licence in New South Wales and that Crown Sydney Gaming has breached clause 14(a) of the VIP Gaming Management Agreement (VIP GMA) and has given Crown a notice to this effect.</p> <p>ILGA has commenced the consultation process contemplated under the VIP GMA and has invited Crown Sydney Gaming to address ILGA in relation to its present view.</p> <p>On 16 February 2021, the Gaming and Wagering Commission of Western Australia (WA Commission) issued a statement that it will formally recommend that an independent inquiry under the Casino Control Act 1984 (WA) be established under the direction of the Minister for Racing, Gaming and Liquor into matters uncovered by the NSW ILGA Inquiry specific to the operations of Crown Perth.</p> <p>Crown is also subject to a number of other regulatory investigations, including by AUSTRAC and the VCGLR.</p> <p>Crown will fully co-operate in relation to these matters and will continue to engage with regulators in relation to Crown's Reform Agenda and any further remedial steps identified.</p>
17.	2022 Half Year Results dated 17 February 2022 (STA.7000.0004.4745)	<p>Crown has today been informed by the VGCCC that it has taken disciplinary action in relation to the China UnionPay process by imposing a fine in the amount of \$80 million on Crown Melbourne Limited, payable in 28 days from the date of the decision (being 27 May 2022). Crown Melbourne has also been ordered to pay the VGCCC's costs of this disciplinary action, which are yet to be advised.</p> <p>The VGCCC has indicated it continues to consider "further disciplinary proceedings against Crown related to the other findings of the Royal Commission, which may each attract a fine of up to \$100 million".</p>