



THE STAR

## ASX Announcement

12 October 2021

### FURTHER RESPONSE TO MEDIA REPORTS

The Star Entertainment Group Limited (ASX code: SGR) (**The Star**) refers to recent media reports that included allegations against The Star in relation to reports by KPMG.

#### Summary

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 that next review in 2020 - 2021.

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.

#### Context and 2020-2021 Review

The AML/CTF Act and Rules provide for regulated entities, such as The Star, to conduct independent reviews of their AML Programs. This provides a regular cycle of review activity directed toward continuous improvement. KPMG's review was preceded by a review in 2015 and followed by a subsequent review in 2020 - 2021.

The KPMG review made a number of specific recommendations that The Star could implement to more effectively identify, manage and mitigate money laundering risks.

The Star initiated a program to address all recommendations from the review. That program of work was conducted from mid-2018 to early 2020.

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.

All recommendations are being adopted by The Star, consistent with previous reviews.

The reviewer found that “in their opinion:

- 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.

**Authorised by:**

The Board of Directors

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