



THE STAR

ASX Announcement

25 June 2025

THE STAR ENTERTAINMENT GROUP LIMITED
ACN 149 629 023

GENERAL MEETING
WEDNESDAY 25 JUNE 2025

CHAIRMAN'S ADDRESS

On 7 April 2025, The Star announced that it had entered into a binding term sheet with Bally's for a strategic investment in the form of a multi-tranche convertible note and subordinated debt instrument, with a principal value of \$300 million. On 8 April 2025, The Star further announced that its largest shareholder, Investment Holdings, had entered into a binding commitment letter to subscribe for \$100 million of the combined strategic investments, on substantially the same terms as the Bally's strategic investment. Shareholders should note that the strategic investments will not involve the acquisition of any existing shares from shareholders.

If the Convertible Notes issued to Bally's and Investment Holdings are converted into shares, their respective relevant interests in The Star's shares will each exceed 20%, and when aggregated, will exceed 50%. As a result, shareholder approval is required under section 611, item 7 of the Corporations Act. Shareholders are being asked to provide this approval so that The Star can proceed with the issuance of the Tranche 2 convertible notes.

A detailed Explanatory Memorandum and an Independent Expert's Report regarding the strategic investments were appended to the Notice of General Meeting, which was sent to shareholders and released to ASX on 26 May 2025. I will take these documents as read.

Rationale for the Strategic Investments

As shareholders will be aware, The Star is facing significant uncertainty regarding its ability to continue as a going concern, amid a challenging operating environment and several claims, including awaiting judgment in the civil proceedings launched by AUSTRAC, the hearing of which concluded on 11 June 2025.

The strategic investments by Bally's and Investment Holdings provide cash funding and assist The Star's ability to continue as a going concern, helping to avoid outcomes such as voluntary administration, which is likely not to be in the best interests of shareholders.

Independent Expert's conclusion

The Star appointed Grant Samuel as the Independent Expert to provide a report on whether the strategic investments, and the consequence of passing the strategic investments resolutions, are fair and reasonable for Shareholders.

In its report, the Independent Expert has concluded that 'there are compelling reasons for non-associated shareholders of The Star to approve each of the [Strategic Investments]. They will clearly be better off if the [Strategic Investments] proceed than if they do not. Accordingly, each of the [Strategic Investments] are reasonable having regard to the interests of the non-associated shareholders of The Star. [The Independent Expert] has concluded that the terms of each of the [Strategic Investments] are 'not fair' but the methodology required for this analysis under regulatory policy is, at best, theoretical and should not be the primary basis on which to judge the merits of the [Strategic Investments].'

Placement Capacity Refresh Resolutions

The Star is also seeking shareholder approval, for the purposes of ASX Listing Rule 7.4 and all other relevant purposes, to ratify the prior allotment and issue of 278,517,860 Tranche 1A Convertible Notes to Bally's and 139,258,930 Tranche 1B Convertible Notes to Investment Holdings on 11 April 2025. These were issued on the terms and conditions outlined in the Explanatory Memorandum, and form the basis of the Placement Capacity Refresh Resolutions.

Unanimous Board Recommendation

Having considered the reasons set out in the Notice of Meeting and the Explanatory Memorandum, and while acknowledging the reasons some may vote against the strategic investments, The Star Board believes the advantages outweigh the disadvantages.

The Directors of The Star unanimously recommend that shareholders vote in favour of the Strategic Investments and the Placement Capacity Refresh Resolutions.

I encourage you to vote in favour of the resolutions today, which the Directors believe are in the best interests of shareholders.

On behalf of the Board, I would like to thank you for your ongoing support.

For further information:

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