



THE STAR

ASX Announcement

23 July 2021

THE STAR WITHDRAWS ITS NON-BINDING INDICATIVE PROPOSAL TO MERGE WITH CROWN

The Star Entertainment Group Limited (ASX code: SGR) (**The Star**) today informed Crown Resorts Limited (**Crown**) that it has withdrawn its conditional, non-binding, indicative proposal announced on 10 May 2021 to merge our businesses (**Proposal**).

The Proposal outlined significant strategic and value accretion benefits for the shareholders of both companies, including estimated cost synergies of between \$150 million to \$200 million per annum and the potential to create significant value from a sale and leaseback (or similar structure) of the enlarged property portfolio.

To date, The Star has had limited engagement with Crown on its Proposal. Also, issues raised at Victoria's Royal Commission into Crown Melbourne have the potential to materially impact the value of Crown, including whether it retains the licence to operate its Melbourne casino or the conditions under which its licence is retained.

We continue to believe substantial benefits could be unlocked by a merger, however the uncertainty surrounding Crown is such that The Star is unable to continue at the present time with its Proposal in the form as announced on 10 May 2021. The Star remains open to exploring potential value enhancing opportunities with Crown. The Star will continue to closely monitor the Victorian Royal Commission and Perth Casino Royal Commission, with final findings expected later this year.

The Star remains focused on its growth initiatives including its world-class multi-billion dollar Queen's Wharf Brisbane integrated resort due to open in late 2022 and its Gold Coast masterplan. The Star will report its financial results for FY2021 on 19 August 2021.

Authorised by:

The Board of Directors

For more information contact:

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