



THE STAR

ASX Announcement

27 October 2021

SALE OF INTEREST IN TREASURY BUILDINGS TO CHARTER HALL

The Star Entertainment Group Limited (ASX code: SGR) (**The Star**) has entered into a sale and partial leaseback transaction with Charter Hall in relation to the Treasury Casino and Hotel buildings as well as the supporting Queen's Gardens Car Park. This is consistent with The Star's strategy of releasing capital from non-core or low-yielding assets.

Under the terms of the transaction, Charter Hall will acquire the Car Park, the Treasury Hotel building and the Treasury Casino building for \$248 million (excluding GST). The Star will lease back the Car Park and the Treasury Hotel building for an initial term of 30 years with 2 x 15-year options. The lease terms imply an initial cap rate of 4.7% and include fixed annual rent increases over the term of the lease.

Under the arrangements, The Star retains its existing interest in the former State Library building, which is not part of this transaction. The Star will explore future uses and ownership models for this site, which is the smallest of the four Treasury assets.

The transaction is structured to allow for the early settlement of the Treasury Hotel building and the Car Park while the Treasury Casino building will settle upon opening of Queen's Wharf Brisbane, expected in the first half of CY2023.

The transaction remains subject to State consent. Under the sale agreement, obligations to the State to deliver the repurposing of these assets as part of the Queen's Wharf Brisbane precinct remain.

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