



THE STAR

1 August 2025

ASX Announcement

TERMINATION OF HEADS OF AGREEMENT – DBC & DGCC

The Star Entertainment Group Limited (ASX: SGR) (**The Star or the Company**) refers to its ASX announcements of:

- 7 March 2025 (relating to the binding heads of agreement (**HoA**) with its joint venture partners, Chow Tai Fook Enterprises Limited and Far East Consortium International Limited (**Joint Venture Partners**));
- 30 June 2025 (disclosing that The Star had received from the Joint Venture Partners a notice to terminate the HoA which would take effect in 5 business days) (**HOA Termination Notice**);
- 7 July 2025 in which The Star announced a revised HoA termination date of 31 July 2025 to allow the parties further time to negotiate long form documents; and
- 30 July 2025 which, as part of its Quarterly Activities Report for the period ended 30 June 2025, confirmed, among other things, that the parties were continuing their negotiations but that it was unlikely the parties would be in a position to finalise long form documents by 31 July 2025.

The HoA relates to The Star's ownership interests in the Destination Brisbane Consortium (**DBC**), Destination Gold Coast Consortium (**DGCC**) and other assets.

As of this morning, the parties have been unable to reach agreement on a number of outstanding commercial issues which in turn prevent the finalisation of long form documents. The Star proposed to the Joint Venture Partners an extension of the HoA termination date to 6 August 2025 to allow further time to conclude negotiations. However, the proposed extension by The Star was not accepted by the Joint Venture Partners. Accordingly, the HoA Termination Notice (which was extended to 31 July 2025) has taken effect and as a result, the HoA has been terminated with effect from today's date.

A number of consequences arise for The Star as a result of the HoA being terminated, including:

- 1) The Star will retain its 50% equity interest in DBC and its 1/3 equity interest in DGCC. The Star will also retain the Treasury Brisbane hotel and car park and its 50% equity interest in the Charlotte Street Car Park (Festival).
- 2) The Star must repay \$10 million of proceeds it received from the Joint Venture Partners. This amount is payable by 6 August 2025.
- 3) The Star must reimburse the Joint Venture Partners for its share of equity contributions that have been made by the Joint Venture Partners to DBC since 31 March 2025. This amount is currently anticipated to be approximately \$31 million (based on an estimate of amounts paid to date) and is payable by 5 September 2025.

- 4) To the extent the amounts referred to above in sub paragraphs (2) and (3) are not repaid, The Star must transfer its 1/3 interest in Tower 1 Hotel at the Gold Coast (Dorsett) to the Joint Venture Partners.
- 5) The Joint Venture Partners are required to reimburse The Star for their share of equity contributions that have been made by The Star to DGCC since 7 March 2025 under the terms of the HoA. This amount is currently expected to be approximately \$1 million based on amounts paid to date.
- 6) The parent company guarantee in relation to The Star's 50% share of the DBC debt facility (for which the total current drawn balance by DBC is approximately \$1.4 billion) will remain on foot.
- 7) The Star will continue to be responsible for its share of future equity contributions to DBC, estimated to be approximately \$200 million. Additional equity may also be required as part of the refinancing of the DBC debt facility which is due to expire in December 2025.
- 8) The original casino management agreement for The Star Brisbane (CMA) remains on foot and The Star continues to be the operator of The Star Brisbane under the CMA. Under the CMA, The Star also receives a casino management fee as calculated under that agreement.
- 9) The \$35 million prepayment to The Star of its share of the net sale proceeds for apartments in the Tower 2 development on the Gold Coast survives termination of the HoA.

The Star is continuing to engage with the Joint Venture Partners and will provide an update if there are any material developments regarding the parties' respective interests in DBC and DGCC.

Given the termination of the HoA, The Star is considering what alternative options may be available to it in relation to its 50% equity interest in DBC, along with the Treasury Brisbane hotel and car park and its 50% equity interest in the Charlotte Street Car Park (Festival).

Authorised by:

Board of Directors

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