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THE STAR

ASX Announcement

12 August 2025

EXECUTION OF BINDING DOCUMENTATION - DESTINATION BRISBANE CONSORTIUM (DBC) AND DESTINATION GOLD COAST CONSORTIUM (DGCC)

The Star Entertainment Group Limited (ASX: SGR) (**The Star**, **the Group** or **the Company**) announces that the Company and various subsidiaries have entered into binding long-form documentation with Chow Tai Fook Enterprises Limited (**CTFE**) and Far East Consortium International Limited (**FEC**) (together, the **Joint Venture Partners**), in relation to DBC (the owner of the Queen's Wharf Brisbane Integrated Resort), DGCC (the owner of the Gold Coast joint venture assets) and other assets in Brisbane that are owned or partially owned by The Star (the **Transaction**).

The Transaction involves The Star disposing of its interest in DBC (and the ultimate transition of the management of The Star Brisbane Integrated Resort to a replacement operator), consolidating its position at the Gold Coast and transferring other Brisbane assets and interests held by The Star to the Joint Venture Partners. The binding long form documentation supersedes previous arrangements in respect of the Transaction including the Heads of Agreement with the Joint Venture Partners which was terminated on 1 August 2025[1]. The key aspects of the Transaction are materially consistent with the Heads of Agreement announced to the ASX on 7 March 2025. Further details of the Transaction are set out in the Annexure to this Announcement.

The Star has also received the consent of its subordinated lenders Bally's Corporation and Investment Holdings Pty Ltd to support the Transaction on the basis of the executed terms.

The Transaction will complete in two separate stages. The completion of the exit from DBC is the first stage, with a sunset date of 30 November 2025. The completion of the remaining assets included in the Transaction (including DGCC and The Treasury Hotel in Brisbane) is subject to a separate set of conditions precedent which are currently expected to be satisfied during 2H CY2026.

Completion of each stage of the Transaction is subject to satisfaction of all required conditions precedent in respect of each stage (including receipt of applicable regulatory approvals, approval of accommodations requested by the Joint Venture Partners from the Queensland State Government, approvals from lenders to The Star, DBC and DGCC, amendments to DBC facility documentation, release of The Star's parent company guarantees in relation to DBC and other required third party consents).

[1] For background, see The Star's ASX announcements of 7 March 2025 (relating to the execution of binding heads of agreement (**HoA**) with its 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), 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 1 August 2025 (which disclosed that the Joint Venture Partners and The Star were unable to reach agreement and that the HoA was terminated with effect from that same date).

Advisers:

UBS Securities Australia Limited is acting as sole financial adviser and Allens as legal adviser to The Star.

Authorised by:

Board of Directors

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ANNEXURE TO ASX ANNOUNCMENT

Key terms of the Transaction

<table>
<tr><td>Cash amount</td><td>$53 million*, of which:
$45 million that was paid during March 2025
$8 million is payable by the earlier of 30 November 2025 and when the Andaz recapitalisation occurs on practical completion of the hotel (Tower 2, Gold Coast)
Part of these amounts represents a distribution of The Star's 33.3% share of future Tower 2 apartment sale net proceeds
*As required by the unwind provisions in the Heads of Agreement (HoA), The Star repaid the Joint Venture Partners $10 million. This amount will be repaid to The Star.</td></tr>
<tr><td>Transaction perimeter</td><td><table><tr><th>Consideration from The Star</th><th>Consideration from the Joint Venture Partners</th></tr><tr><td>its 50% equity interest in DBC
Treasury Brisbane Car Park
Treasury Brisbane Hotel
50% interest in Charlotte St Car Park</td><td>$53 million cash
a 66.6% interest in Tower 1 Hotel (Dorsett), Gold Coast
a 66.6% interest in Tower 2 Hotel (Andaz), Gold Coast
the management rights for Dorsett hotel after a further period of management by FEC of up to 5 years
Development rights on future towers at the Gold Coast property, with a buy out right on the next tower</td></tr></table></td></tr>
<tr><td colspan="2">Destination Brisbane Consortium</td></tr>
<tr><td>Summary of key terms</td><td>The Star will dispose of its 50% interest in DBC to the Joint Venture Partners
The Star will not be required to fund any equity contributions in relation to DBC with effect from 31 March 2025. The Star had otherwise expected future equity contributions to be at least $212 million from that date
The Star will be released from its parent company guarantee in relation to its 50% share of the DBC debt facility (current drawn balance is $1.4 billion and the facility matures in December 2025)
Management of the Integrated Resort will be transitioned to a replacement operator once one is identified and has received regulatory approval
The Star must comply with certain transition protocols in favour of the replacement operator
Restructure of the Casino Operator Fee (including certain escrow arrangements)</td></tr>
<tr><td>DBC Casino Operator Fee</td><td>The Star will no longer receive the operator fee provided for under the DBC Casino Management Agreement. Instead, it will receive a fixed fee of:
$5 million per month until 30 June 2026
$6 million per month from 1 July 2026 to 30 June 2027
$7 million per month from 1 July 2027 to 30 June 2028</td></tr>
</table>

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	• After 30 June 2028, the amendments made to the CMA that give effect to the fixed operator fee will be unwound and the fee will revert to the arrangements that existed prior to the fixed fee arrangements being put in place **Operator Fee Escrow Arrangements** • For the period between 1 March 2025 to completion of the exit of DBC, the difference between the operator fee that The Star would be entitled to receive under the current formulation of the CMA and the higher fixed fee under the new arrangements (**Operator Fee Delta**) will be placed into escrow each month. These amounts will be released from escrow at the earlier of 31 March 2026 and three months after the nomination of a replacement operator (but not before completion of the DBC stage) • Upon nomination of a replacement casino operator by the Joint Venture Partners, payment into escrow of the Operator Fee Delta will resume for a three month period while The Star and the replacement operator agree a transition process. These amounts will be released from escrow at the end of the three month period
Transition Obligations	• The Joint Venture Partners are entitled to nominate a replacement operator at any time from the later of OLGR and DBC lender approval or 30 November 2025 • If requested, The Star will enter into a transitional services agreement with the replacement operator to provide services that the Group currently provides to The Star Brisbane for a period of up to 24 months following the appointment of a replacement operator. The cost of these services will be as agreed between The Star and the replacement operator, or failing agreement, at an independently determined market price • DBC / the replacement operator will assume responsibility for all employee entitlements for operational employees at The Star Brisbane other than a one-off $5 million contribution made by The Star which will be payable over a 12 month period from appointment of the replacement operator • To the extent that The Star is in material breach of its obligations to transition to a replacement operator, the Joint Venture Partners will be entitled to pay the Operator Fee Delta into escrow, and not release funds in escrow until the breach is cured or its consequences overcome. The Star will indemnify the Joint Venture Partners and replacement casino operator for loss (up to a cap) • The Joint Venture Partners are entitled to designate non-regulated areas of the Managed Integrated Resort (i.e. Car Park, Events Centre and The Star Grand Hotel) as areas not managed by The Star and to be managed by an alternative operator
Earn-out	• The Star is entitled to an earn-out payment in CY30 in respect of DBC of up to $225 million based on the lower of $225 million or 50% of DBC's pro forma equity value • DBC Equity Value will be calculated based on 9x EBITDA less DBC Net Debt (which will be equal to 31 March 2025 Net Debt; plus an allowance of $320 million for development capital expenditure; plus add-back of certain one-off regulatory-related items during the earn-out period that are paid by DBC; less proceeds from certain asset disposals made by DBC)

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Other asset transfers

Destination Gold Coast Consortium

- The Star will acquire the Joint Venture Partners' 66.6% interests in the Dorsett Hotel and Andaz Hotel (which is yet to complete construction). This will result in The Star's interest in each asset increasing from 33.3% to 100%
- The Star will fund all equity contributions required for DGCC from 31 March 2025
- The Star will obtain the management rights for the Dorsett Hotel after a further period of management by FEC of up to 5 years
- The Star will retain its rights to future development at Gold Coast and will have exclusive development rights over Towers 4-5
- The Star has an option to pay the Joint Venture Partners $20 million to remove any entitlement of the Joint Venture Partners to participate in the next tower development at DGCC (Tower 3)

Other Brisbane assets

- The Joint Venture Partners will acquire The Star's 50% interest in Charlotte Street Car Park and The Star's 100% interest in Treasury Brisbane Hotel and Treasury Brisbane Car Park
- The Star will retain responsibility for the guarantee it made to the Queensland State Government for footpaths and public realm works surrounding the Treasury Casino Building (previously sold), Treasury Car Park and Treasury Hotel in Brisbane. The Star estimates that these costs will be $13-17 million. The Joint Venture Partners will assume responsibility for other obligations and liabilities associated with the Treasury Hotel (including the redevelopment obligation) and Treasury Car Park

Conditions precedent and completion timing

Completion timing

There will be two separate completion events to the transaction and each completion event is subject to its own set of conditions precedent

No.	Composition	Earliest completion	Sunset date
1	DBC	N/A	30 November 2025
2	DGCC Treasury Brisbane Hotel Treasury Brisbane Car Park Charlotte Street Car Park (50%)	1 July 2026	31 March 2027

Conditions precedent

Event 1: DBC	Event 2: DGCC and Other Assets
• release of The Star parent company guarantees under existing project and operating documents; • refinancing of the debt financing facilities provided in connection with DBC; • Joint Venture Partners obtaining FIRB approval; • FEC obtaining Hong Kong Stock Exchange approvals;	• completion of the DBC transaction; • obtaining all necessary regulatory and lender approvals that apply to the DGCC Sale and Treasury Sale; • a determination that the transactions are not required to be notified to the ACCC or, if required, an ACCC determination that the transactions can be put into effect;

	• obtaining all necessary regulatory and lender approvals that apply to the DBC Sale; and • Joint Venture Partners obtaining various government accommodations	• release of the Joint Venture Partners' parent company guarantees; • Joint Venture Partners receive distribution from apartment sale proceeds at DGCC; and • The Star receiving a release of the treasury guarantees in respect of the obligations it is being released from at completion
Termination	If the Transaction is terminated or otherwise unable to be completed in accordance with its terms, the unwind provisions seek to restore The Star and the Joint Venture Partners to the position they were in prior to entry into the Transaction documents. The practical implications of this include: • The Star will repay certain cash payments it has received from the Joint Venture Partners; • The Star must reimburse the Joint Venture Partners for its share of the equity contributions made by the Joint Venture Partners to DBC since 31 March 2025; • For certain payments owed, The Star can, as an alternative transfer its one 1/3 interest in Tower 1 Hotel (Dorsett) to the Joint Venture Partners to offset the cash payment obligation; and • The Joint Venture Partners must reimburse The Star for their share of equity contributions that have been made by The Star to DGCC to fund DGCC costs As an exception to the above, if the DBC transaction does not complete, certain amendments to the CMA will survive the unwind. These include: • the ability of the Joint Venture Partners to terminate the CMA with 90 days' notice following nomination of a replacement operator (as well as requirements on The Star to facilitate transition to that replacement operator); • certain revised reporting and operational arrangements will remain in place; and • the Joint Venture Partners will retain the right to designate certain areas of the Integrated Resort as areas not managed by The Star, with the calculated CMA fee to include the revenue and EBITDA of these areas regardless of the designation.	

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