



THE STAR

ASX Announcement

7 March 2025

NEW DEBT FACILITIES AND ADDITIONAL LIQUIDITY

The Star Entertainment Group Limited (ASX: SGR) (**The Star, the Group or the Company**) announces that it has entered into documentation for a senior secured \$250 million bridge facility. Separately, the Company has also entered into an exclusivity and process deed relating to a refinancing proposal which has the potential to provide total debt capacity for the Group of up to \$940 million.

The Star is also pursuing various short-term liquidity initiatives as neither the bridge facility proceeds nor the refinancing proposal will be available to address the Company's immediate liquidity requirements.

Bridge Facility

The Company, and various subsidiaries, have signed a financing commitment letter with respect to a \$250 million senior secured bridge facility with funds managed by King Street Capital Management (**King Street**), a leading global alternative investment firm (the **Bridge Facility**).

The Bridge Facility commitment has been entered into to provide additional liquidity for the Group while it seeks to secure sufficient liquidity in order to be able to implement a longer-term refinancing of the Group's existing senior debt.

The conditions precedent to the Bridge Facility include, among others, entering into an intercreditor agreement with The Star's existing lenders, obtaining relevant probity approvals and regulatory consents for The Star to provide first ranking security over The Star Gold Coast (and associated assets) and other customary conditions. Subject to satisfaction of those conditions, the Bridge Facility is available to be drawn until 29 April 2025.

Key terms of the Bridge Facility include, among others:

- commitment and other fees;
- an annual all-in interest rate of 15%, paid monthly in arrears, up to 10% of which may be paid-in-kind;
- a tenor of 6 months (which may be extended by The Star to 9 months, subject to certain extension conditions); and
- a minimum liquidity covenant of \$10 million available cash.

Refinancing Proposal

In addition, the Company has received a further debt refinancing proposal from an additional potential lender (the **Lender**) to the Group, including drafts of a commitment letter, fee letter and detailed term sheet which have been negotiated with the Company (**Refinancing Proposal**). The Refinancing Proposal, if finalised, would provide The Star with sufficient liquidity to refinance all of the Group's existing corporate debt and is not conditional on either the purchase of the existing senior debt at a discount to par or any government tax deferrals or waivers.

Key terms of the Refinancing Proposal include, among others:

- quantum of \$750 million;
- an ability to pay interest-in-kind for a period of time, such that the Refinancing Proposal would have the capacity to provide total debt capacity of up to \$940 million;
- a minimum liquidity covenant of \$50 million available cash; and
- a tenor of 5 years.

The Lender has undertaken due diligence enquiries and engaged in preliminary discussions with governments and regulators in relation to the Refinancing Proposal.

The Company has entered into an exclusivity and process deed with the Lender to enable the Refinancing Proposal to be progressed, including providing the Lender with the ability to complete outstanding due diligence enquiries by 18 March 2025 (subject to extension for a further period of seven days).

The parties have agreed to work towards a binding offer of finance with respect to the Refinancing Proposal which, if accepted by The Star, would be followed by a further period of exclusivity to enable preparation of long form facility documentation and finalisation of conditions precedent.

The Refinancing Proposal is non-binding and subject to various conditions, including obtaining relevant probity approvals and regulatory consents for security over the Group's assets. There is no certainty that the Refinancing Proposal will be progressed, that the conditions to the Refinancing Proposal will be satisfied, or that the Refinancing Proposal will be implemented.

Oaktree Proposal

With respect to the debt financing proposal received from Oaktree Capital Management referred to in the Company's ASX announcement of 17 February 2025 (the **Oaktree Proposal**), the Company notes that certain conditions of the Oaktree Proposal have not yet been met, and the Oaktree Proposal has not been able to be finalised at the current time.

Heads of Agreement with CTFE and FEC

The Company has entered into a binding heads of agreement (**HoA**) with Chow Tai Fook Enterprises Limited (**CTFE**) and Far East Consortium International Limited (**FEC**), the joint venture partners of the Company in relation to the Destination Brisbane Consortium (**DBC**) that owns the Queen's Wharf Integrated Resort, and the Destination Gold Coast Consortium (**DGCC**) that owns The Star Gold Coast joint venture assets (the **Joint Venture Partners**).

The Star refers to its separate ASX announcement released today in relation to the terms of the HoA. The Star notes that following execution of the HoA, the Joint Venture Partners have made an upfront payment to The Star of \$35 million today, and will pay an additional \$10 million before the end of March 2025 and a subsequent \$8 million will be payable on the earlier of the practical completion of the Andaz hotel (currently under construction at The Star Gold Coast precinct) or 30 November 2025. The Star intends to use these proceeds for short term liquidity purposes as it seeks to finalise long form facility documentation for, and satisfaction of the conditions precedent to, the Bridge Facility, along with seeking to progress the Refinancing Proposal. Please refer to the separate announcement released on 7 March 2025 for more detail on the transaction with the Joint Venture Partners.

Event Centre

The Star refers to its ASX announcement of 29 January 2025 regarding entry by The Star Entertainment Sydney Properties Pty Ltd (a wholly owned subsidiary of The Star) into an exclusivity arrangement and binding term sheet for the divestment of The Star Sydney Event Centre and other additional spaces within The Star Sydney complex to Foundation Theatres for \$60 million (subject to settlement adjustments). The parties have since entered into long-form documents, and are working towards obtaining all relevant consents by 10 March 2025.

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

Authorised by:

Board of Directors

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