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## **GALAXY ENTERTAINMENT GROUP LIMITED**

### **銀河娛樂集團有限公司**

*(incorporated in Hong Kong with limited liability)*

**(Stock Code: 27)**

#### **ANNOUNCEMENT ON CERTAIN SELECTED UNAUDITED KEY PERFORMANCE INDICATORS FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

This announcement is issued pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

#### **LETTER FROM THE CHAIRMAN OF GALAXY ENTERTAINMENT GROUP LIMITED (“GEG” or the “Company”)**

I wish to take this opportunity to update you on the Macau market and our financial performance in Q1 2022. COVID-19 has continued to impact the community and businesses globally including Macau and GEG. The Group’s Q1 Adjusted EBITDA was HK\$575 million, down 33% year-on-year and down 45% quarter-on-quarter. The decrease in Adjusted EBITDA is a result of recent outbreaks of COVID-19 in greater China. This resulted in tightening visitation policy to preserve public health and safety which, unfortunately, adversely impacted visitation to Macau and, in turn, revenue and profitability.

Whilst we experienced a modest uptick in visitation over the May Labor Holiday we do acknowledge it still remains well below pre-pandemic levels. During the May Labor Holiday our integrated resorts were more active including our hotels and restaurants among others. We believe that this bodes well for the future recovery of Macau as it signals pent up demand for leisure, tourism and travel.

Our balance sheet continues to remain solid in this challenging period with net cash of HK\$24.5 billion where we continue to invest in GEG and Macau’s future with Cotai Phases 3 & 4. We are also pleased to report that we paid the previously announced special dividend of HK\$0.30 per share on 29 April 2022. This attests to our long term confidence in Macau, our financial strength and our future earnings potential as we continue to navigate through the pandemic headwinds.

In regards to future development, Phase 3 is effectively completed and we continue to move forward with Phase 4. We continue our commitment to support the Macau government in its economic recovery and maintain the social stability of Macau. Notwithstanding the current economic environment, we continue with our disciplined approach to exploring opportunities within Mainland China with a particular focus on the Greater Bay Area.

We are pleased to report that in April 2022 we applied for an extension of our concession to 31 December 2022. We remain supportive of the regulatory process in Macau including a number of gaming related legislative initiatives and are also preparing for the forthcoming gaming concession tendering process.

Going forward in the medium to longer term, we remain confident in the future of Macau. However, we do acknowledge that further potential outbreaks of COVID-19 may impact our future financial performance. Finally, I would again like to acknowledge and thank the Government of Macau and the health and emergency personnel who have worked so hard to ensure the safety of Macau. I would also like to thank our staff, management team and Board of Directors who voluntarily contributed to the various cost savings programs and for being so supportive of our Company throughout the pandemic. Thank you!

**Dr. Lui Che Woo**

*GBM, MBE, JP, LLD, DSSc, DBA*

*Chairman*

## Q1 2022 RESULTS

The Board of Directors (the “Board”) of GEG hereby announces certain selected unaudited key performance indicators of GEG and its subsidiaries (collectively referred to as the “Group”) for the first quarter ended 31 March 2022 as follows:

### Q1 2022 RESULTS HIGHLIGHTS

#### **GEG: Continues to be Impacted by COVID-19 and Travel Restrictions**

- Q1 Group Net Revenue of HK\$4.1 billion, down 20% year-on-year and down 14% quarter-on-quarter
- Q1 Group Adjusted EBITDA of HK\$575 million, down 33% year-on-year and down 45% quarter-on-quarter
- Normalized exclude luck factor (“Normalized”) Q1 Adjusted EBITDA was HK\$572 million after adjusting for good luck of HK\$3 million, versus HK\$751 million in Q1 2021 and HK\$920 million in Q4 2021
- Latest twelve months Adjusted EBITDA of HK\$3.3 billion, up significantly year-on-year and down 8% quarter-on-quarter

#### **Galaxy Macau™: Continues to be Impacted by COVID-19 and Travel Restrictions**

- Q1 Net Revenue of HK\$3.1 billion, down 10% year-on-year and down 4% quarter-on-quarter
- Q1 Adjusted EBITDA of HK\$724 million, down 5% year-on-year and down 5% quarter-on-quarter
- Normalized Q1 Adjusted EBITDA was HK\$721 million after adjusting for good luck of HK\$3 million, versus HK\$664 million in Q1 2021 and HK\$805 million in Q4 2021
- Hotel occupancy for Q1 across the five hotels was 37%

#### **StarWorld Macau: Continues to be Impacted by COVID-19 and Travel Restrictions**

- Q1 Net Revenue of HK\$424 million, down 58% year-on-year and down 37% quarter-on-quarter
- Q1 Adjusted EBITDA of HK\$(58) million, versus HK\$170 million in Q1 2021 and HK\$44 million in Q4 2021
- There was no luck impact on Q1 Adjusted EBITDA, versus Normalized Adjusted EBITDA of HK\$162 million in Q1 2021 and HK\$47 million in Q4 2021
- Hotel occupancy for Q1 was 51%

#### **Broadway Macau™: Continues to be Impacted by COVID-19 and Travel Restrictions**

- Q1 Net Revenue of HK\$16 million, up 7% year-on-year and up 14% quarter-on-quarter
- Q1 Adjusted EBITDA of HK\$(17) million, versus HK\$(23) million in Q1 2021 and HK\$(22) million in Q4 2021
- There was no luck impact on Q1 Adjusted EBITDA, versus Normalized Adjusted EBITDA of HK\$(23) million in Q1 2021 and HK\$(22) in Q4 2021
- Hotel occupancy for Q1 was 24%

#### **Balance Sheet: Healthy and Liquid & Paid Recent Dividend**

- As at 31 March 2022, cash and liquid investments were HK\$35.0 billion and net cash was HK\$24.5 billion
- As at 31 March 2022, debt of HK\$10.5 billion primarily reflects ongoing treasury yield management initiatives with minimal core debt
- Paid the previously announced special dividend of HK\$0.30 per share on 29 April 2022

#### **Development Update: Continue Making Progress on Cotai Phases 3 & 4**

- Continue to make ongoing progressive enhancements to our resorts to ensure that they remain competitive and appealing to our guests
- Cotai Phases 3 & 4 – Phase 3 is effectively completed and our efforts are firmly focused on the development of Phase 4. Phases 3 & 4 have a strong focus on non-gaming, primarily targeting Meetings, Incentives, Conferences and Events (MICE), entertainment, family facilities and also include gaming
- Will align the opening of Raffles at Galaxy Macau with prevailing market conditions, followed by the opening of Galaxy International Convention Center (“GICC”) and Andaz Macau, and proceeding with the construction of remaining phases
- Future development opportunities – Notwithstanding the current economic environment, we continue with our disciplined approach to exploring opportunities within Mainland China with a particular focus on the Greater Bay Area
- International – Continuously exploring opportunities in overseas markets

## Macau Market Overview

In the first quarter of 2022, Macau continued to be impacted by COVID-19 outbreaks in greater China which led to travel restrictions including the Chinese New Year holiday in February 2022. Based on DICJ reporting, Macau's Gross Gaming Revenue ("GGR") for Q1 2022 was HK\$17.3 billion, down 25% year-on-year and down 7% quarter-on-quarter.

In Q1 2022, visitor arrivals to Macau were 1.9 million, up 8% year-on-year and down 4% quarter-on-quarter. Mainland visitor arrivals were 1.7 million, up 10% year-on-year and down 5% quarter-on-quarter. Overnight visitors were 680,725, down 26% year-on-year and down 14% quarter-on-quarter.

## Group Financial Results

In Q1 2022, the Group posted Net Revenue of HK\$4.1 billion, down 20% year-on-year and down 14% quarter-on-quarter. Adjusted EBITDA was HK\$575 million, down 33% year-on-year and down 45% quarter-on-quarter, compared to Q4 2021 Normalized Adjusted EBITDA of HK\$920 million after adjusting for a HK\$168 million expense reversal benefit and bad luck of HK\$45 million. Galaxy Macau™'s Adjusted EBITDA was HK\$724 million, down 5% year-on-year and down 5% quarter-on-quarter. StarWorld Macau's Adjusted EBITDA was HK\$(58) million, versus HK\$170 million in Q1 2021 and HK\$44 million in Q4 2021. Broadway Macau™'s Adjusted EBITDA was HK\$(17) million versus HK\$(23) million in Q1 2021 and HK\$(22) million in Q4 2021.

Latest twelve months Adjusted EBITDA was HK\$3.3 billion, up significantly year-on-year versus a HK\$0.4 billion loss of latest twelve months Adjusted EBITDA in Q1 2021 and down 8% quarter-on-quarter.

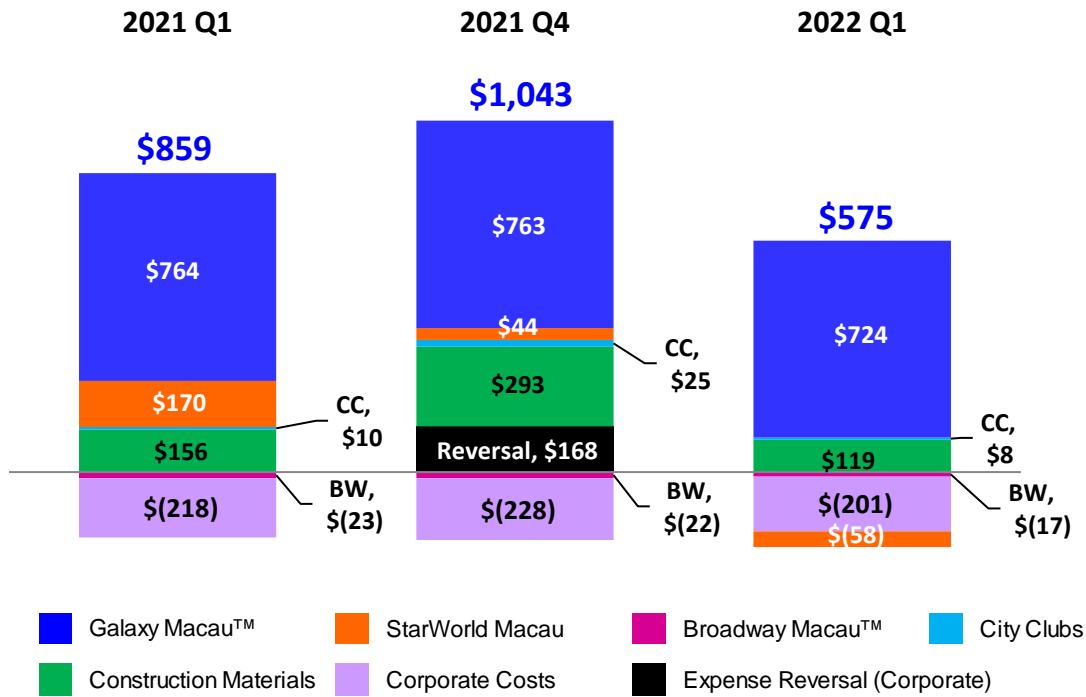
In Q1 2022, the Group's Normalized Adjusted EBITDA was HK\$572 million after adjusting for good luck of HK\$3 million, down 24% year-on-year and down 38% quarter-on-quarter. Please note that Q4 2021 Adjusted EBITDA benefited from the expense reversal benefit of HK\$168 million.

### Summary Table of GEG Q1 2022 Adjusted EBITDA and Adjustments:

| <i>in HK\$m</i>                   | Q1<br>2021 | Q4<br>2021   | Q1<br>2022 | YoY         | QoQ         |
|-----------------------------------|------------|--------------|------------|-------------|-------------|
| <b>Adjusted EBITDA</b>            | <b>859</b> | <b>1,043</b> | <b>575</b> | <b>-33%</b> | <b>-45%</b> |
| <i>Luck<sup>1</sup></i>           | <i>108</i> | <i>(45)</i>  | <i>3</i>   |             |             |
| <i>Expense reversal benefit</i>   |            | <i>168</i>   |            |             |             |
| <b>Normalized Adjusted EBITDA</b> | <b>751</b> | <b>920</b>   | <b>572</b> | <b>-24%</b> | <b>-38%</b> |

<sup>1</sup> Reflects luck associated with our rolling chip program.

## GEG Adjusted EBITDA (HK\$'m)



The Group's total GGR on a management basis<sup>2</sup> in Q1 2022 was HK\$3.4 billion, down 29% year-on-year and down 13% quarter-on-quarter. Mass GGR was HK\$2.7 billion, down 7% year-on-year and down 12% quarter-on-quarter. Rolling chip GGR was HK\$566 million, down 69% year-on-year and down 21% quarter-on-quarter. Electronic GGR was HK\$162 million, up 25% year-on-year and up 2% quarter-on-quarter.

<sup>2</sup> The primary difference between statutory gross revenue and management basis gross revenue is the treatment of City Clubs revenue where fee income is reported on a statutory basis and gross gaming revenue is reported on a management basis. At the Group level the gaming statistics include Company owned resorts plus City Clubs.

## Group Key Financial Data

(HK\$m)

|                        | Q1 2021 | Q4 2021 | Q1 2022 |
|------------------------|---------|---------|---------|
| Revenues:              |         |         |         |
| Net Gaming             | 3,857   | 3,256   | 2,902   |
| Non-gaming             | 598     | 666     | 623     |
| Construction Materials | 641     | 830     | 575     |
| Total Net Revenue      | 5,096   | 4,752   | 4,100   |
| Adjusted EBITDA        | 859     | 1,043   | 575     |

## Gaming Statistics<sup>3</sup>

(HK\$m)

|                                  | Q1 2021 | Q4 2021 | Q1 2022 |
|----------------------------------|---------|---------|---------|
| Rolling Chip Volume <sup>4</sup> | 55,334  | 25,782  | 17,914  |
| Win Rate %                       | 3.3%    | 2.8%    | 3.2%    |
| Win                              | 1,812   | 713     | 566     |
| Mass Table Drop <sup>5</sup>     | 11,585  | 11,449  | 9,463   |
| Win Rate %                       | 24.6%   | 26.4%   | 28.0%   |
| Win                              | 2,849   | 3,027   | 2,652   |
| Electronic Gaming Volume         | 4,195   | 4,444   | 4,380   |
| Win Rate %                       | 3.1%    | 3.6%    | 3.7%    |
| Win                              | 130     | 159     | 162     |
| Total GGR Win <sup>6</sup>       | 4,791   | 3,899   | 3,380   |

## Balance Sheet

Due to our conservative financial management, our balance sheet continues to remain strong. At 31 March 2022, cash and liquid investments were HK\$35.0 billion and net cash was HK\$24.5 billion. Total debt was HK\$10.5 billion which primarily reflects our ongoing treasury yield management initiatives where interest income on cash holdings exceeds corresponding borrowing costs. Core debt remained minimal. This provides us with valuable flexibility in managing our ongoing operations and allows us to continue investing in our longer term development plans. The Group paid the previously announced special dividend of HK\$0.30 per share on 29 April 2022. This attests to our confidence in Macau, our financial strength and our future earnings potential.

<sup>3</sup> Gaming statistics are presented before deducting commission and incentives.

<sup>4</sup> Represents sum of junket VIP and inhouse premium direct.

<sup>5</sup> Mass table drop includes the amount of table drop plus cash chips purchased at the cage.

<sup>6</sup> Total GGR win includes gaming win from City Clubs.

## Galaxy Macau™

Galaxy Macau™ is the primary contributor to Group revenue and earnings. In Q1 2022, Galaxy Macau™'s Net Revenue was HK\$3.1 billion, down 10% year-on-year and down 4% quarter-on-quarter. Adjusted EBITDA was HK\$724 million, down 5% year-on-year and down 5% quarter-on-quarter. Adjusted EBITDA margin was 24% (Q1 2021: 22%).

In Q1 2022, Galaxy Macau™'s Normalized Adjusted EBITDA was HK\$721 million after adjusting for good luck of HK\$3 million, up 9% year-on-year and down 10% quarter-on-quarter. The combined five hotels occupancy rate was 37% for Q1 2022.

### Galaxy Macau™ Key Financial Data

(HK\$m)

|                        | Q1 2021 | Q4 2021 | Q1 2022 |
|------------------------|---------|---------|---------|
| Revenues:              |         |         |         |
| Net Gaming             | 2,875   | 2,599   | 2,503   |
| Hotel / F&B / Others   | 250     | 252     | 228     |
| Mall                   | 292     | 363     | 346     |
| Total Net Revenue      | 3,417   | 3,214   | 3,077   |
| Adjusted EBITDA        | 764     | 763     | 724     |
| Adjusted EBITDA Margin | 22%     | 24%     | 24%     |

### Gaming Statistics<sup>7</sup>

(HK\$m)

|                                  | Q1 2021 | Q4 2021 | Q1 2022 |
|----------------------------------|---------|---------|---------|
| Rolling Chip Volume <sup>8</sup> | 40,711  | 19,908  | 17,914  |
| Win Rate %                       | 3.2%    | 2.7%    | 3.2%    |
| Win                              | 1,301   | 542     | 566     |
| Mass Table Drop <sup>9</sup>     | 7,128   | 7,827   | 6,627   |
| Win Rate %                       | 28.3%   | 29.5%   | 32.0%   |
| Win                              | 2,019   | 2,306   | 2,121   |
| Electronic Gaming Volume         | 3,167   | 3,109   | 3,021   |
| Win Rate %                       | 3.2%    | 4.2%    | 4.5%    |
| Win                              | 102     | 130     | 136     |
| Total GGR Win                    | 3,422   | 2,978   | 2,823   |

<sup>7</sup> Gaming statistics are presented before deducting commission and incentives.

<sup>8</sup> Represents sum of junket VIP and inhouse premium direct.

<sup>9</sup> Mass table drop includes the amount of table drop plus cash chips purchased at the cage.

## StarWorld Macau

In Q1 2022, StarWorld Macau's Net Revenue was HK\$424 million, down 58% year-on-year and down 37% quarter-on-quarter. Adjusted EBITDA was HK\$(58) million, versus HK\$170 million in Q1 2021 and HK\$44 million in Q4 2021. There was no luck impact on Q1 Adjusted EBITDA, versus Normalized Adjusted EBITDA of HK\$162 million in Q1 2021 and HK\$47 million in Q4 2021. Hotel occupancy was 51% for Q1 2022.

### StarWorld Macau Key Financial Data

(HK\$m)

|                        | Q1 2021 | Q4 2021 | Q1 2022           |
|------------------------|---------|---------|-------------------|
| Revenues:              |         |         |                   |
| Net Gaming             | 972     | 632     | 391               |
| Hotel / F&B / Others   | 34      | 31      | 27                |
| Mall                   | 7       | 6       | 6                 |
| Total Net Revenue      | 1,013   | 669     | 424               |
| Adjusted EBITDA        | 170     | 44      | (58)              |
| Adjusted EBITDA Margin | 17%     | 7%      | NEG <sup>10</sup> |

### Gaming Statistics<sup>11</sup>

(HK\$m)

|                               | Q1 2021 | Q4 2021 | Q1 2022 |
|-------------------------------|---------|---------|---------|
| Rolling Chip Volume           | 13,683  | 5,874   | 0       |
| Win Rate %                    | 3.4%    | 2.9%    | 0       |
| Win                           | 470     | 171     | 0       |
| Mass Table Drop <sup>12</sup> | 3,790   | 2,798   | 2,183   |
| Win Rate %                    | 19.2%   | 20.2%   | 18.8%   |
| Win                           | 727     | 565     | 410     |
| Electronic Gaming Volume      | 520     | 534     | 475     |
| Win Rate %                    | 3.5%    | 2.2%    | 2.2%    |
| Win                           | 18      | 12      | 10      |
| Total GGR Win                 | 1,215   | 748     | 420     |

<sup>10</sup> NEG represents negative margin.

<sup>11</sup> Gaming statistics are presented before deducting commission and incentives.

<sup>12</sup> Mass table drop includes the amount of table drop plus cash chips purchased at the cage.



## Broadway Macau™

Broadway Macau™ is a unique family friendly, street entertainment and food resort supported by Macau SMEs, it does not have a VIP gaming component. In Q1 2022, Broadway Macau™'s Net Revenue was HK\$16 million, up 7% year-on-year, up 14% quarter-on-quarter. Adjusted EBITDA was HK\$(17) million, versus HK\$(23) million in prior year and HK\$(22) million in Q4 2021. There was no luck impact on Q1 Adjusted EBITDA, versus Normalized Adjusted EBITDA of HK\$(23) million in Q1 2021 and HK\$(22) in Q4 2021. Hotel occupancy was 24% for Q1 2022 as the hotel served as a “self-health management hotel”.

### Broadway Macau™ Key Financial Data

(HK\$m)

|                        | Q1 2021           | Q4 2021           | Q1 2022           |
|------------------------|-------------------|-------------------|-------------------|
| Revenues:              |                   |                   |                   |
| Net Gaming             | 0                 | 0                 | 0                 |
| Hotel / F&B / Others   | 9                 | 8                 | 9                 |
| Mall                   | 6                 | 6                 | 7                 |
| Total Net Revenue      | 15                | 14                | 16                |
| Adjusted EBITDA        | (23)              | (22)              | (17)              |
| Adjusted EBITDA Margin | NEG <sup>13</sup> | NEG <sup>13</sup> | NEG <sup>13</sup> |

### Gaming Statistics<sup>14</sup>

(HK\$m)

|                               | Q1 2021 | Q4 2021 | Q1 2022 |
|-------------------------------|---------|---------|---------|
| Mass Table Drop <sup>15</sup> | 0       | 0       | 0       |
| Win Rate %                    | 0       | 0       | 0       |
| Win                           | 0       | 0       | 0       |
| Electronic Gaming Volume      | 13      | 3       | 3       |
| Win Rate %                    | 3.5%    | 0.7%    | 9.0%    |
| Win                           | 0       | 0       | 0       |
| Total GGR Win                 | 0       | 0       | 0       |

<sup>13</sup> NEG represents negative margin.

<sup>14</sup> Gaming statistics are presented before deducting commission and incentives.

<sup>15</sup> Mass table drop includes the amount of table drop plus cash chips purchased at the cage.

## City Clubs

City Clubs contributed HK\$8 million of Adjusted EBITDA in Q1 2022, down 20% year-on-year and down 68% quarter-on-quarter.

### City Clubs Key Financial Data

(HK\$m)

|                 | Q1 2021 | Q4 2021 | Q1 2022 |
|-----------------|---------|---------|---------|
| Adjusted EBITDA | 10      | 25      | 8       |

### Gaming Statistics<sup>16</sup>

(HK\$m)

|                               | Q1 2021 | Q4 2021 | Q1 2022 |
|-------------------------------|---------|---------|---------|
| Rolling Chip Volume           | 940     | 0       | 0       |
| Win Rate %                    | 4.4%    | 0       | 0       |
| Win                           | 41      | 0       | 0       |
| Mass Table Drop <sup>17</sup> | 667     | 824     | 653     |
| Win Rate %                    | 15.4%   | 18.9%   | 18.5%   |
| Win                           | 103     | 156     | 121     |
| Electronic Gaming Volume      | 495     | 798     | 881     |
| Win Rate %                    | 2.0%    | 2.1%    | 1.8%    |
| Win                           | 10      | 17      | 16      |
| Total GGR Win                 | 154     | 173     | 137     |

## Construction Materials Division

The Construction Materials Division contributed Adjusted EBITDA of HK\$119 million in Q1 2022, down 24% year-on-year and down 59% quarter-on-quarter. Please note that Q1 is historically a seasonally softer quarter compared to the other three quarters. The year-on-year variance is due primarily to challenging market conditions.

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<sup>16</sup> Gaming statistics are presented before deducting commission and incentives.

<sup>17</sup> Mass table drop includes the amount of table drop plus cash chips purchased at the cage.

## **Development Update**

### ***Galaxy Macau™ and StarWorld Macau***

We continue to make ongoing progressive enhancements to our resorts to ensure that they remain competitive and appealing to our guests.

### ***Cotai – The Next Chapter***

GEG is uniquely positioned for long term growth. Phase 3 is effectively completed and we look forward to welcoming the iconic Raffles at Galaxy Macau through an exclusive 450 all-suite tower. We will align the opening with prevailing market conditions. We intend to follow this with the opening of the GICC and Andaz Macau in anticipation of the recovery of the MICE and entertainment markets.

We are now firmly focused on the development of Phase 4, which is already well under way. We see the premium market evolving with this segment preferring higher quality and more spacious rooms. Cotai Phase 4 is an integrated resort for the next generation, which will complete our ecosystem in Cotai.

Phases 3 & 4 combined will have approximately 3,000 high end and family rooms and villas, 400,000 square feet of MICE space, a 500,000 square feet 16,000-seat multi-purpose arena, F&B, retail and casinos, among others. As you can see, we remain highly confident about the future of Macau where Cotai Phases 3 & 4 will support Macau's vision of becoming a World Centre of Tourism and Leisure.

### ***Future Development Opportunities***

Notwithstanding the current economic environment, we continue with our disciplined approach to exploring opportunities within Mainland China, with a particular focus on the rapidly developing Greater Bay Area.

### ***International***

We continue to explore international expansion opportunities, but still believe that Macau offers the best longer term outlook.

## Selected Major Awards in 2022

| <b>AWARD</b>   | <b>PRESENTER</b>                        |
|--|---|
| <b>GEG</b>   |   |
| Charitable Community Award   | International Gaming Awards 2022        |
| <b>GALAXY MACAU™</b>   |   |
| EarthCheck Certified 2022<br><ul style="list-style-type: none"> <li>- Gold Certification - Banyan Tree Macau</li> <li>- Silver Certification - Galaxy Hotel™</li> </ul>  | EarthCheck                              |
| <p>Michelin Guide Hotel Selection</p> <ul style="list-style-type: none"> <li>- Banyan Tree Macau</li> <li>- JW Marriott Hotel Macau</li> <li>- The Ritz-Carlton, Macau</li> </ul> <p>Michelin One Star Restaurant</p> <ul style="list-style-type: none"> <li>- 8½ Otto e Mezzo BOMBANA</li> <li>- Lai Heen</li> </ul> <p>Michelin Selected Restaurant</p> <ul style="list-style-type: none"> <li>- Terrazza Italian Restaurant</li> <li>- Yamazato</li> <li>- The Ritz-Carlton Café</li> </ul> | Michelin Guide Hong Kong and Macau 2022 |
| <p>Forbes Travel Guide Five-star Hotel</p> <ul style="list-style-type: none"> <li>- The Ritz-Carlton, Macau</li> <li>- Banyan Tree Macau</li> <li>- Hotel Okura Macau</li> </ul> <p>Forbes Travel Guide Five-star Restaurant</p> <ul style="list-style-type: none"> <li>- Lai Heen</li> </ul> <p>Forbes Travel Guide Five-star Spa</p> <ul style="list-style-type: none"> <li>- The Ritz-Carlton Spa, Macau</li> <li>- Banyan Tree Spa Macau</li> </ul>  | Forbes Travel Guide                     |
| <p>South China Morning Post 100 Top Tables 2022</p> <ul style="list-style-type: none"> <li>- Lai Heen</li> <li>- 8½ Otto e Mezzo BOMBANA</li> <li>- Yamazato</li> </ul>  | South China Morning Post                |
| The Most Popular Hotel Award - Hotel Okura Macau   | Hotelbeds                               |
| <p>DestinAsian Reader's Choice Awards 2022 Top 10 Best Hotels in Macau</p> <ul style="list-style-type: none"> <li>- Banyan Tree Macau</li> <li>- Galaxy Hotel™</li> </ul>  | DestinAsian                             |
| <b>STARWORLD MACAU</b>   |   |
| Michelin Two Stars Restaurant - Feng Wei Ju  | Michelin Guide Hong Kong and Macau 2022 |
| South China Morning Post 100 Top Tables 2022 - Feng Wei Ju   | South China Morning Post                |

## Outlook

Under the COVID-19 “new normal”, GEG team members have been working hard to “do more with less” and have been very supportive of the various company initiatives and constantly striving for improvement. We believe that the reoccurrence of COVID-19 cases in Mainland China will continue to impact Macau tourism industry, which in turn could impact our associated revenue and profitability going forward. However, in the medium to longer term we continue to have great confidence in Macau and we are well positioned for growth with our Phases 3 & 4 projects which will capture the future growth in leisure and tourism from Mainland China. Notwithstanding the current economic environment, we continue with our disciplined approach to exploring opportunities within Mainland China with a particular focus on the Greater Bay Area.

During this down period of low visitor arrivals, we have taken this opportunity to renovate and upgrade our existing properties and focus on elevating service standards with continuous training, among others. We are well positioned to capture mass customers when the market returns as well as MICE business with the opening of the GICC. We continue to drive every segment of our business by enhancing operational efficiencies and exercising prudent cost control especially under the current market conditions.

Following the closure of the VIP business, we have been reallocating our resources and marketing efforts to the mass-oriented tourists whom appreciate GEG’s extensive array of resort offerings, such as a wide range of world class hotels, extensive F&B choices, wide selection of retail and non-gaming amenities such as the Grand Resort Deck. Macau concessionaires continue to working with the Macao Government Tourism Office to actively promote Macau as a safe tourism destination and has hosted a series of roadshows and exhibitions in a numbers of Mainland cities. We will continue to actively support this important government initiative.

Despite sporadic outbreaks in greater China over the past 2 years, Macau has demonstrated an ability to bounce back quickly when travel restrictions were eased, indicating solid pent up demand. Moreover, we continue to remain optimistic and encouraged that we see strong signs of healthy demand for Macau and are very confident that the leisure and tourism sector will bounce back.

In April 2022, we applied for the extension of our concession from 26 June 2022 to 31 December 2022. The amendment of Gaming Law has been positively received by the community. Given our track record of introducing innovative non-gaming elements into our resorts, our strong operational history, significant investment into Macau’s economy and our substantial CSR efforts including supporting SME’s, we are well positioned to compete for one of Macau’s forthcoming gaming concessions. We look forward for the approval from the Legislative Assembly and the completion of the concession bidding process.

## CAUTION STATEMENT

The Board wishes to remind shareholders and potential investors that the above financial data primarily relates only to a part of operations of the Group and is based on the Group's internal records and management accounts. The above financial data has not been reviewed or audited by independent auditor and is not a forecast of the performance of the gaming and entertainment division or of the Group as a whole. Shareholders and potential investors are cautioned not to unduly rely on such data and are advised to exercise caution when dealing in the shares of GEG.

By Order of the Board  
**Galaxy Entertainment Group Limited**  
**Wong Chui Lai**  
*Company Secretary*

Hong Kong, 12 May 2022

*As at the date of this announcement, the executive Directors of GEG are Dr. Lui Che Woo (Chairman), Mr. Francis Lui Yiu Tung, Mr. Joseph Chee Ying Keung and Mrs. Paddy Tang Lui Wai Yu; the non-executive Directors of GEG are Dr. Charles Cheung Wai Bun and Mr. Michael Victor Mecca; and the independent non-executive Directors of GEG are Mr. James Ross Ancell, Dr. William Yip Shue Lam and Professor Patrick Wong Lung Tak.*

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