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銀娛 GEG

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 THIRD QUARTER ENDED 30 SEPTEMBER 2023

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”)

Today I am pleased to report the third quarter results for the Group in 2023. Since the border reopened in January 2023, GEG has delivered solid financial results. In Q3 2023 Group Net Revenue increased 374% year-on-year to HK\$9.7 billion and Adjusted EBITDA increased 576% year-on-year to HK\$2.8 billion.

From the business revenue perspective, we are very pleased to see a continuing ongoing recovery in both visitor arrivals and associated gaming revenue. For Q3 2023, GEG’s mass gaming revenue was approximately 102% when compared to 2019 levels, Galaxy Macau™ performed even better at 121% of 2019 levels, whilst StarWorld Macau continues to grow and was approximately 71% of 2019 levels. Retail sales and subsequent mall rental has seen demand normalized post re-opening. Mall rental in Q3 2023 across our portfolio was HK\$379 million, which was equivalent to 114% of 2019 levels.

For the recent National Day Golden Week holiday between 29 September and 6 October 2023, we were pleased that Macau recorded a total of 932,365 visitor arrivals. The daily average number of visitor arrivals during the eight-day period reached nearly 84% of the corresponding period in pre-pandemic 2019. Macau hotels’ average guestroom occupancy rate stood at 88% during the eight-day period.

Our balance sheet continued to be solid with total cash and liquid investments of HK\$24.8 billion and net cash of HK\$23.3 billion. Our solid balance sheet and cash flow from operations allows us to return capital to shareholders through dividends, fund our development pipeline and pursue our international expansion ambitions. On 27 October 2023 we paid a special dividend of HK\$0.20 per share. These dividends demonstrate our continued confidence in the longer-term outlook of Macau and for the Company.

Beginning in July 2023, the exclusive 450 all-suite Raffles at Galaxy Macau was operating by invitation only. On 16 August 2023, we successfully soft opened its door which brings a new level of opulence, service and luxurious customer experience to Macau. The Raffles will drive high-value customers in-line with the Government's goal to attract longer staying and higher-value visitors to Macau. Further, we opened Andaz Macau on 15 September 2023 which is designed to support the MICE and Arena facilities within Galaxy International Convention Center ("GICC").

We are continuing with the construction of Phase 4 which will include multiple high-end hotel brands, together with a 4,000-seat theater, extensive F&B, retail, non-gaming amenities, landscaping and a water resort deck. Phase 4 is approximately 600,000 square meters of development and is scheduled to complete in 2027. We will continue to adjust the development timeline in accordance with the market demand.

We are pleased to see Macau and Hong Kong Governments are jointly working to provide easier accessibility between Hong Kong International Airport and Macau. Starting from 30 August 2023, Hong Kong-Zhuhai-Macau Bridge operated a through-bus service to and from the Hong Kong International Airport restricted area. We believe that this will help the Macau Government's initiative of increasing the number of foreign visitors.

Finally, I would like to thank all our team members who deliver 'World Class, Asian Heart' service each and every day and contribute to the success of the Group.

Thank you.

Dr. Lui Che Woo

GBM, MBE, JP, LLD, DSSc, DBA

Chairman

Q3 2023 RESULTS

The Board of Directors (the “Board”) of GEG is pleased to announce certain selected unaudited key performance indicators of GEG and its subsidiaries (collectively referred to as the “Group”) for the third quarter ended 30 September 2023 as follows:

Q3 2023 RESULTS HIGHLIGHTS

GEG: Well Positioned for Future Growth

- Q3 Group Net Revenue of HK\$9.7 billion, up 374% year-on-year and up 11% quarter-on-quarter
- Q3 Group Adjusted EBITDA of HK\$2.8 billion, up 576% year-on-year and up 12% quarter-on-quarter
- Played unlucky in Q3 which decreased Adjusted EBITDA by approximately HK\$122 million, normalized exclude luck factor (“Normalized”) Q3 Adjusted EBITDA of HK\$2.9 billion, up 615% year-on-year and up 17% quarter-on-quarter
- Latest twelve months Adjusted EBITDA of HK\$7.0 billion, up 970% year-on-year and up 92% quarter-on-quarter

Galaxy Macau™: Well Positioned for Future Growth

- Q3 Net Revenue of HK\$7.6 billion, up 612% year-on-year and up 16% quarter-on-quarter
- Q3 Adjusted EBITDA of HK\$2.6 billion, up 957% year-on-year and up 18% quarter-on-quarter
- Played unlucky in Q3 which decreased Adjusted EBITDA by approximately HK\$118 million, Normalized Q3 Adjusted EBITDA of HK\$2.7 billion, up 1,061% year-on-year and up 24% quarter-on-quarter
- Hotel occupancy for Q3 across the seven hotels was 98%

StarWorld Macau: Well Positioned for Future Growth

- Q3 Net Revenue of HK\$1.2 billion, up 677% year-on-year and flat quarter-on-quarter
- Q3 Adjusted EBITDA of HK\$347 million, up 305% year-on-year, down 4% quarter-on-quarter
- Played unlucky in Q3 which decreased Adjusted EBITDA by approximately HK\$4 million, Normalized Q3 Adjusted EBITDA of HK\$351 million, up 308% year-on-year and down 3% quarter-on-quarter
- Hotel occupancy for Q3 was 100%

Broadway Macau™, City Clubs and Construction Materials Division (“CMD”)

- Broadway Macau™: Q3 Adjusted EBITDA was HK\$(14) million, versus HK\$(16) million in Q3 2022 and HK\$(10) million in Q2 2023
- City Clubs: Q3 Adjusted EBITDA was HK\$5 million, up 119% year-on-year and up 25% quarter-on-quarter
- CMD: Q3 Adjusted EBITDA was HK\$164 million, up 40% year-on-year and down 28% quarter-on-quarter

Balance Sheet: Maintain a Healthy and Liquid Balance Sheet

- As at 30 September 2023, cash and liquid investments were HK\$24.8 billion and net cash was HK\$23.3 billion
- As at 30 September 2023, debt was HK\$1.5 billion
- Paid a special dividend of HK\$0.20 per share on 27 October 2023

Development Update: Opened Phase 3 including GICC, Galaxy Arena, Raffles at Galaxy Macau and Andaz Macau; Progressing with Phase 4

- Cotai Phase 3 – Opened GICC, Galaxy Arena, Raffles at Galaxy Macau and Andaz Macau
- Cotai Phase 4 – Our efforts are firmly focused on the development of Phase 4. Phase 4 has a strong focus on non-gaming, primarily targeting Meetings, Incentives, Conferences and Events (“MICE”), entertainment, family facilities and also includes gaming

Market Overview

Macau continues its recovery post lifting of COVID-19 related travel restrictions in Q1 2023. Based on DICJ reporting, Macau's Gross Gaming Revenue ("GGR") for Q3 2023 was HK\$47.4 billion, up 780% year-on-year and up 7% quarter-on-quarter. Mass gaming revenue is the main profit driver of business in Macau and represented 74% of GGR.

In Q3 2023, visitor arrivals to Macau were 8.3 million, up 821% year-on-year and up 24% quarter-on-quarter. Visitor arrivals from the Mainland were 5.8 million, up 628% year-on-year and up 35% quarter-on-quarter. Overnight visitors were 4.2 million, up 805% year-on-year and up 22% quarter-on-quarter.

Group Financial Results

In Q3 2023, the Group posted Net Revenue of HK\$9.7 billion, up 374% year-on-year and up 11% quarter-on-quarter. Adjusted EBITDA was HK\$2.8 billion, up 576% year-on-year and up 12% quarter-on-quarter. Galaxy Macau™'s Adjusted EBITDA was HK\$2.6 billion, up 957% year-on-year and up 18% quarter-on-quarter. StarWorld Macau's Adjusted EBITDA was HK\$347 million, up 305% year-on-year and down 4% quarter-on-quarter. Broadway Macau™'s Adjusted EBITDA was HK\$(14) million, versus HK\$(16) million in Q3 2022 and HK\$(10) million in Q2 2023. Latest twelve months Adjusted EBITDA for the Group was HK\$7.0 billion, up 970% year-on-year and up 92% quarter-on-quarter.

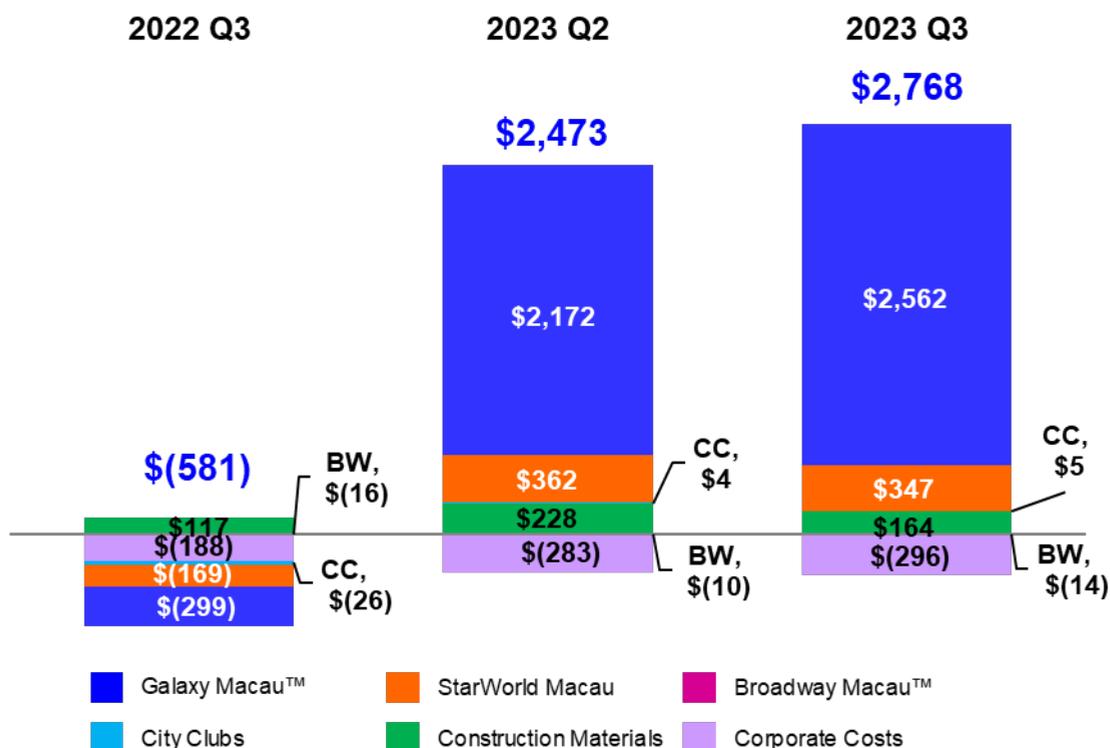
During Q3 2023, GEG played unlucky in its gaming operations which decreased Adjusted EBITDA by approximately HK\$122 million. Normalized Adjusted EBITDA was HK\$2.9 billion, up 615% year-on-year and up 17% quarter-on-quarter.

Summary Table of GEG Q3 2023 Adjusted EBITDA and Adjustments:

<i>(HK\$m)</i>	Q3 2022	Q2 2023	Q3 2023
Adjusted EBITDA	(581)	2,473	2,768
<i>Luck</i> ¹	(20)	4	(122)
Normalized Adjusted EBITDA	(561)	2,469	2,890

¹ Reflects luck associated with our rolling chip program.

GEG Adjusted EBITDA (HK\$'m)



The Group's total GGR on a management basis² in Q3 2023 was HK\$8.7 billion, up 853% year-on-year and up 14% quarter-on-quarter. Mass GGR was HK\$7.4 billion, up 832% year-on-year and up 18% quarter-on-quarter. VIP GGR was HK\$813 million, up 1,352% year-on-year, down 13% quarter-on-quarter. Electronic GGR was HK\$492 million, up 669% year-on-year and up 11% quarter-on-quarter.

² 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, this difference is up to 26 June 2022. At the Group level the gaming statistics include Company owned resorts plus City Clubs.

Group Key Financial Data

(HK\$'m)

	Q3 2022	Q2 2023	Q3 2023
Revenues:			
Net Gaming	821	6,589	7,417
Non-gaming	438	1,263	1,520
Construction Materials	775	809	713
Total Net Revenue	2,034	8,661	9,650
Adjusted EBITDA	(581)	2,473	2,768

Gaming Statistics³

(HK\$'m)

	Q3 2022	Q2 2023	Q3 2023
Rolling Chip Volume ⁴	2,782	29,054	32,459
Win Rate %	2.0%	3.2%	2.5%
Win	56	931	813
Mass Table Drop ⁵	3,301	26,254	29,906
Win Rate %	24.2%	23.9%	24.9%
Win	798	6,285	7,441
Electronic Gaming Volume	1,696	11,627	14,298
Win Rate %	3.8%	3.8%	3.4%
Win	64	443	492
Total GGR Win ⁶	918	7,659	8,746

Balance Sheet and Dividend

The Group's balance sheet remains liquid and healthy. As of 30 September 2023, cash and liquid investments were HK\$24.8 billion and net cash was HK\$23.3 billion. Debt was HK\$1.5 billion which primarily reflects our ongoing treasury yield management initiatives where interest income on cash holdings exceeds corresponding borrowing costs. Our strong balance sheet combined with substantial cash flow from operations allows us to return capital to shareholders via dividends and to fund our development pipeline. The Group paid a special dividend of HK\$0.20 per share on 27 October 2023.

³ Gaming statistics are presented before deducting commission and incentives.

⁴ Represents sum of junket VIP and inhouse premium direct.

⁵ Mass table drop includes the amount of table drop plus cash chips purchased at the cage.

⁶ Total GGR win includes gaming win from City Clubs.

Galaxy Macau™

Galaxy Macau™ is the primary contributor to the Group's revenue and earnings. Net Revenue in Q3 2023 was HK\$7.6 billion, up 612% year-on-year and up 16% quarter-on-quarter. Adjusted EBITDA was HK\$2.6 billion, up 957% year-on-year and up 18% quarter-on-quarter.

Galaxy Macau™ played unlucky in its gaming operations which decreased its Adjusted EBITDA by approximately HK\$118 million in Q3 2023. Normalized Adjusted EBITDA was HK\$2.7 billion, up 1,061% year-on-year and up 24% quarter-on-quarter.

Hotel occupancy for Q3 2023 across the seven hotels was 98%.

Galaxy Macau™ Key Financial Data

(HK\$m)

	Q3 2022	Q2 2023	Q3 2023
Revenues:			
Net Gaming	663	5,430	6,258
Hotel / F&B / Others	171	726	1,004
Mall	238	394	366
Total Net Revenue	1,072	6,550	7,628
Adjusted EBITDA	(299)	2,172	2,562
Adjusted EBITDA Margin	NEG ⁷	33%	34%

Gaming Statistics⁸

(HK\$m)

	Q3 2022	Q2 2023	Q3 2023
Rolling Chip Volume ⁹	2,782	29,054	31,090
Win Rate %	2.0%	3.2%	2.5%
Win	56	931	778
Mass Table Drop ¹⁰	2,422	19,146	22,812
Win Rate %	26.4%	26.3%	27.2%
Win	641	5,038	6,197
Electronic Gaming Volume	1,021	8,414	10,188
Win Rate %	5.1%	4.5%	4.0%
Win	52	379	411
Total GGR Win	749	6,348	7,386

⁷ NEG represents negative margin.

⁸ Gaming statistics are presented before deducting commission and incentives.

⁹ Represents sum of junket VIP and inhouse premium direct.

¹⁰ Mass table drop includes the amount of table drop plus cash chips purchased at the cage.

StarWorld Macau

StarWorld Macau's Net Revenue in Q3 2023 was HK\$1.2 billion, up 677% year-on-year, flat quarter-on-quarter. Adjusted EBITDA was HK\$347 million, up 305% year-on-year, down 4% quarter-on-quarter.

StarWorld Macau played unlucky in its gaming operations which decreased its Adjusted EBITDA by approximately HK\$4 million in Q3 2023. Normalized Adjusted EBITDA was HK\$351 million, up 308% year-on-year and down 3% quarter-on-quarter.

Hotel occupancy for Q3 2023 was 100%.

StarWorld Macau Key Financial Data

(HK\$m)

	Q3 2022	Q2 2023	Q3 2023
Revenues:			
Net Gaming	139	1,103	1,101
Hotel / F&B / Others	17	115	121
Mall	2	5	6
Total Net Revenue	158	1,223	1,228
Adjusted EBITDA	(169)	362	347
Adjusted EBITDA Margin	NEG. ¹¹	30%	28%

Gaming Statistics¹²

(HK\$m)

	Q3 2022	Q2 2023	Q3 2023
Rolling Chip Volume. ¹³	N/A	N/A	1,369
Win Rate %	N/A	N/A	2.6%
Win	N/A	N/A	35
Mass Table Drop. ¹⁴	795	6,842	6,830
Win Rate %	18.2%	17.6%	17.6%
Win	144	1,206	1,204
Electronic Gaming Volume	228	2,250	2,981
Win Rate %	2.6%	2.1%	2.1%
Win	6	48	62
Total GGR Win	150	1,254	1,301

¹¹ NEG represents negative margin.

¹² Gaming statistics are presented before deducting commission and incentives.

¹³ Represents inhouse premium direct.

¹⁴ 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. The property's Net Revenue in Q3 2023 was HK\$24 million, up 140% year-on-year and up 4% quarter-on-quarter. Adjusted EBITDA was HK\$(14) million, versus HK\$(16) million in Q3 2022 and HK\$(10) million in Q2 2023.

City Clubs

In Q3 2023, City Clubs Adjusted EBITDA was HK\$5 million, up 119% year-on-year and up 25% quarter-on-quarter.

Construction Materials Division

Construction Materials Division contributed Adjusted EBITDA of HK\$164 million in Q3 2023, up 40% year-on-year and down 28% quarter-on-quarter.

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 with a particular focus on adding new and innovative F&B and retail offerings.

Cotai – The Next Chapter

We have successfully opened GICC, Galaxy Arena, Raffles at Galaxy Macau and Andaz Macau. We are now firmly focused on the development of Phase 4, which is already well under way. Phase 4 will include multiple high-end hotel brands new to Macau, together with a 4000-seat theater, extensive F&B, retail, non-gaming amenities, landscaping and a water resort deck. Phase 4 is approximately 600,000 square meters of development and is scheduled to complete in 2027. We will continue to adjust the development timeline in accordance with the market demand. We remain highly confident about the future of Macau where Phases 3 & 4 will support Macau's vision of becoming a World Centre of Tourism and Leisure.

Selected Major Awards in 2023

AWARD	PRESENTER
GEG	
Best Gaming Operator	Asia Gaming Awards 2023
Sustainability Award	International Gaming Awards 2023
Best CSR Initiative – GEG Integrated Resort Youth Development Program	Inside Asian Gaming

AWARD	PRESENTER
GALAXY MACAU™	
Michelin One-Star Restaurant - 8½ Otto e Mezzo BOMBANA - Lai Heen	The MICHELIN Guide Hong Kong Macau 2023
2023 Forbes Travel Guide Five-Star Hotel - Banyan Tree Macau - Galaxy Hotel™ - Hotel Okura Macau - The Ritz-Carlton, Macau 2023 Forbes Travel Guide Five-Star Restaurant - 8½ Otto e Mezzo BOMBANA - Lai Heen	Forbes Travel Guide
SCMP 100 Top Tables 2023 Award - 8½ Otto e Mezzo BOMBANA - Lai Heen	South China Morning Post
EarthCheck Gold Certification - Banyan Tree Macau EarthCheck Silver Certification - Galaxy Hotel™ - Hotel Okura Macau	EarthCheck
Macao Green Hotel Awards – Gold Award - Banyan Tree Macau - JW Marriott Hotel Macau - Hotel Okura Macau - The Ritz-Carlton, Macau Macao Green Hotel Awards – Silver Award - Galaxy Hotel™	Environmental Protection Bureau of the Macau SAR Government
STARWORLD MACAU	
Michelin Two-Star Restaurant – Feng Wei Ju	The MICHELIN Guide Hong Kong Macau 2023
SCMP 100 Top Tables 2023 Award – Feng Wei Ju	South China Morning Post
BROADWAY MACAU™	
Macao Green Hotel Awards – Silver Award	Environmental Protection Bureau of the Macau SAR Government
CONSTRUCTION MATERIALS DIVISION	
Caring Company Scheme – 20 Years Plus Caring Company Logo	The Hong Kong Council of Social Service
21 st Hong Kong Occupational Safety & Health Award - Safety Management System Award – All Industries – Certificate of Attainment - Safety Performance Award – All Industries – Outstanding Award	Labour Department / Occupational Safety and Health Council
2022-23 Good Employer 5 Years+ e-Contribution Award and MPF Support Award	The Mandatory Provident Fund Schemes Authority

Outlook

We continue to remain confident in the outlook for Macau. Mainland Chinese travelers consistently rank Macau as a favorable destination of choice. This is due to proximity, convenient accessibility and a perceived higher level of personal security. This, combined with the current low levels of penetration into Mainland China gives us confidence of pent up demand. Additionally, as Macau continues to expand its entertainment offerings, the addressable market is further increased. The MGTO and the 6 concessionaries are jointly working to promote Macau in various cities to showcase Macau’s diverse “tourism +” offerings and glamour as a Creative City of Gastronomy.

Infrastructure continues to play an important part in Macau’s development: the ongoing extension of the High-Speed train network continues to expand the catchment; the Macau International airport is soon to commence an expansion that will increase its capacity by 30% and the improvements to the Hong Kong-Zhuhai-Macau bridge connectivity all support our longer-term growth.

Phase 4 is progressing with development and is targeted to capture the ongoing expanding addressable market that is seeking a new and more encompassing lifestyle experience. Phase 4 will include multiple high-end hotel brands new to Macau, together with a 4000-seat theater, extensive F&B, retail, non-gaming amenities, landscaping and a water resort deck. Phase 4 is approximately 600,000 square meters of development and is scheduled to complete in 2027.

The development of an international market will take time to evolve and we are actively working with the MGTO in supporting their promotional and tour activities. We have opened overseas business development offices in Tokyo and Seoul and are in the progress of opening an office in Bangkok. The competition for high-value international tourists is significant and we will do our best to support this Government initiative.

GEG has been proactively supporting the Macau Government’s directive in driving forward the “1+4” adequate diversification development strategy. We remain committed to supporting the Macau Government’s vision of becoming a World Centre of Tourism and Leisure.

Selected major concerts and events/exhibitions held at Galaxy Macau™:

- K-pop TREASURE Tour
- K-pop BLACKPINK World Tour
- Kelly Chen Season 2 Concert
- K-pop (G)I-DLE in Macau
- iQIYI Scream Night 2023
- Guangdong and Macao Branded Products Fair
- BE@RBRICK MACAU - World’s First Immersive BE@RBRICK Art Exhibition
- Yao Foundation Charity Basketball Game
- 2023 YUM China RGM Convention
- Joker Xue “Extraterrestrial” World Tour in Macau
- 2024 JSTV Countdown Concert

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
Jenifer Sin Li Mei Wah
Company Secretary

Hong Kong, 9 November 2023

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 Director of GEG is Dr. Charles Cheung Wai Bun; and the independent non-executive Directors of GEG are Mr. James Ross Ancell, Dr. William Yip Shue Lam, Professor Patrick Wong Lung Tak and Mr. Michael Victor Mecca.

Website: www.galaxyentertainment.com