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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 2024**

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”)**

Thank you for the opportunity to provide you with a broad market overview and a review of the financial performance of GEG in Q1 2024. During Q1 2024, we made substantial adjustments to Galaxy Macau™’s gaming floor, in the shorter term this was disruptive for the month of January and the early part of February. The renovation was completed just prior to Chinese New Year. With the completion of this renovation, we have seen a significant improvement in the flow of customer traffic across the entire floor.

Across our portfolio, we are in the process of implementing smart tables which will drive further efficiency across the gaming floor. Additionally, we are updating our slot machine products and we are working on a range of upgrades to StarWorld Macau.

Moving onto our financial performance, the Group Net Revenue in Q1 2024 was HK\$10.6 billion, up 50% year-on-year and up 2% quarter-on-quarter; Adjusted EBITDA was HK\$2.8 billion, up 49% year-on-year and up 1% quarter-on-quarter. We were particularly encouraged with our casino performance over the May Golden Week and post the reconfiguration of Galaxy Macau™’s gaming floor.

Our balance sheet remained healthy and liquid. As of Q1 2024, cash and liquid investments were HK\$26.4 billion and the net position was HK\$25.0 billion after debt of HK\$1.4 billion. We recently paid the previously announced special dividend of HK\$0.30 per share on 26 April 2024.

We were pleased to announce the addition of the Group's tenth hotel brand – Capella Hotels and Resorts. The 17-storey Capella at Galaxy Macau is expected to open in mid-2025 and offers approximately 100 ultra-luxury sky-villas and suites. This represents our continued commitment to delivering unparalleled experiential luxury to our guests in Macau and supporting the Government's vision to develop Macau into the World Centre of Tourism and Leisure.

We are very pleased to welcome the 75th anniversary of the founding of the People's Republic of China and the 25th anniversary of Macau's return to the Motherland this year. We hope that the industry will continue to receive the full support of the Central Government and the Macau SAR Government. As always GEG will support these important milestones with a range of supportive promotional activities and events. And we are pleased to see that all those new initiatives on expanding Individual Visit Scheme (IVS) and visa policies may increase tourism to Macau.

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.

**Dr. Lui Che Woo**

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

*Chairman*

## Q1 2024 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 first quarter ended 31 March 2024 as follows:

### Q1 2024 RESULTS HIGHLIGHTS

#### **GEG: Well Positioned for Future Growth**

- Q1 Group Net Revenue of HK\$10.6 billion, up 50% year-on-year and up 2% quarter-on-quarter
- Q1 Group Adjusted EBITDA of HK\$2.8 billion, up 49% year-on-year and up 1% quarter-on-quarter
- Played lucky which increased Adjusted EBITDA by approximately HK\$63 million, normalized Adjusted EBITDA of HK\$2.8 billion, up 50% year-on-year and down 5% quarter-on-quarter
- Latest twelve months Adjusted EBITDA of HK\$10.9 billion, up 1,297% year-on-year and up 9% quarter-on-quarter

#### **Galaxy Macau™: Well Positioned for Future Growth**

- Q1 Net Revenue of HK\$8.3 billion, up 55% year-on-year and up 2% quarter-on-quarter
- Q1 Adjusted EBITDA of HK\$2.6 billion, up 42% year-on-year and up 2% quarter-on-quarter
- Played lucky which increased Adjusted EBITDA by approximately HK\$48 million, normalized Adjusted EBITDA of HK\$2.6 billion, up 44% year-on-year, and down 4% quarter-on-quarter
- Hotel occupancy for Q1 across the seven hotels was 97%

#### **StarWorld Macau: Well Positioned for Future Growth**

- Q1 Net Revenue of HK\$1.4 billion, up 46% year-on-year and up 9% quarter-on-quarter
- Q1 Adjusted EBITDA of HK\$435 million, up 101% year-on-year and up 23% quarter-on-quarter
- Played lucky which increased Adjusted EBITDA by approximately HK\$15 million, normalized Adjusted EBITDA of HK\$420 million, up 94% year-on-year, and up 20% quarter-on-quarter
- Hotel occupancy for Q1 was 100%

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

- Broadway Macau™: Q1 Adjusted EBITDA was HK\$4 million, versus HK\$(10) million in Q1 2023 and HK\$(2) million in Q4 2023
- City Clubs: Q1 Adjusted EBITDA was HK\$4 million, up 33% year-on-year and up 33% quarter-on-quarter
- CMD: Q1 Adjusted EBITDA was HK\$110 million, up 9% year-on-year and down 46% quarter-on-quarter

#### **Balance Sheet: Healthy and Liquid Balance Sheet**

- As at 31 March 2024, cash and liquid investments were HK\$26.4 billion and the net position was HK\$25.0 billion after debt of HK\$1.4 billion
- Paid a special dividend of HK\$0.30 per share on 26 April 2024

#### **Development Update: Opening Capella at Galaxy Macau in mid-2025; Ramping up GICC, Galaxy Arena, Raffles at Galaxy Macau and Andaz Macau; Progressing with Phase 4**

- Announced the opening of Capella at Galaxy Macau in mid-2025
- Cotai Phase 3 – Ramping up 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

## **Macau Market Overview**

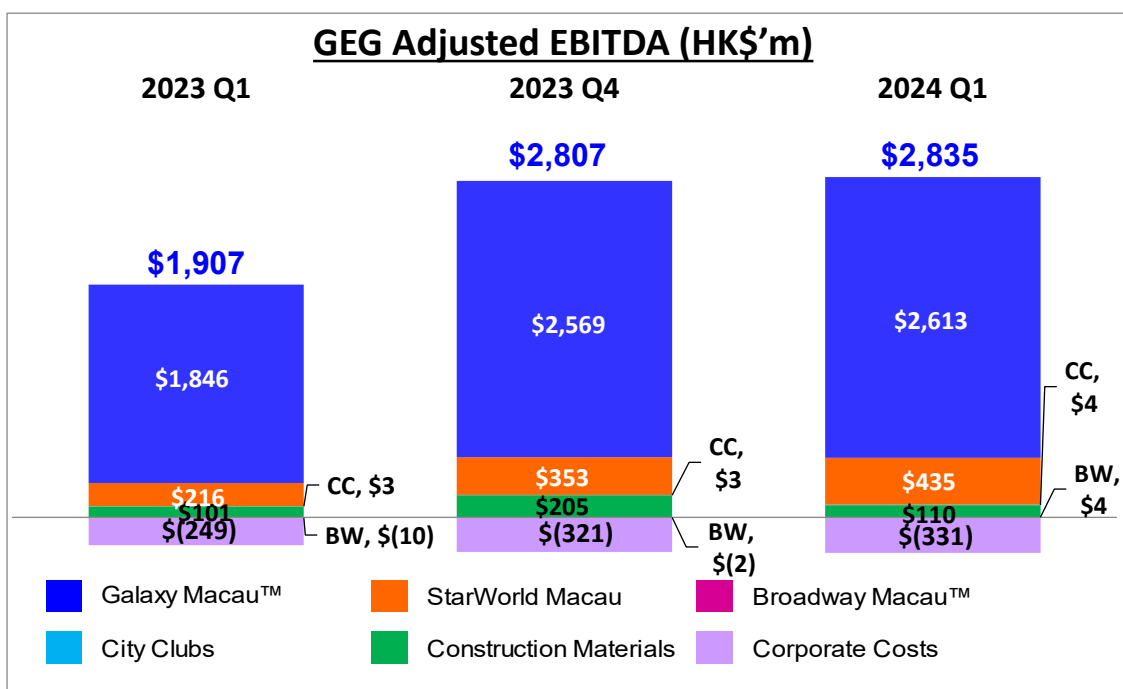
Based on DICJ reporting, Macau's GGR for Q1 2024 was HK\$55.7 billion, up 65% year-on-year and up 6% quarter-on-quarter. In Q1 2024, visitor arrivals to Macau were 8.9 million, up 79% year-on-year, recovering to 86% in the same quarter of 2019. Overnight visitors were 4.1 million, up 55% year-on-year. Mainland visitor arrivals were 6.3 million, up 94% year-on-year. 55% of the Mainland visitors were from the IVS. The Central Government continues to strongly support Macau this is evidenced by the recent expansion of the existing IVS to include an additional 10 cities. This brings the total number of Chinese cities under the IVS to 59 cities, with a combined total population of over 490 million.

Further, The National Immigration Administration of China introduced new measures for Mainlanders including residents from 20 large cities to be able to update or reissue their travel documents entirely online, Mainlanders who participate in exhibitions or art performances can apply "other" visa type for multiple-entry visits to Macau for one year, and multi-entry tour visas within 7 days for Mainlanders who participated in Hengqin-Macau group tours. These new measures were effective from 6 May 2024.

## **Group Financial Results**

In Q1 2024, the Group posted Net Revenue of HK\$10.6 billion, up 50% year-on-year and up 2% quarter-on-quarter. Group Adjusted EBITDA was HK\$2.8 billion, up 49% year-on-year and up 1% quarter-on-quarter. Latest twelve months Adjusted EBITDA of HK\$10.9 billion, up 1,297% year-on-year and up 9% quarter-on-quarter.

In Q1 2024, GEG played lucky in its gaming operation which increased its Adjusted EBITDA by approximately HK\$63 million. Normalized Adjusted EBITDA was HK\$2.8 billion, up 50% year-on-year and down 5% quarter-on-quarter.



**Summary Table of GEG Q1 2024 Adjusted EBITDA and Adjustments:**

<i>in HK\$'m</i>	Q1 2023	Q4 2023	Q1 2024	YoY	QoQ
<b>Adjusted EBITDA</b>	<b>1,907</b>	<b>2,807</b>	<b>2,835</b>	<b>49%</b>	<b>1%</b>
<i>Luck</i> <sup>1</sup>	59	(103)	63	-	-
<b>Normalized Adjusted EBITDA</b>	<b>1,848</b>	<b>2,910</b>	<b>2,772</b>	<b>50%</b>	<b>-5%</b>

The Group's total GGR in Q1 2024 was HK\$9.6 billion, up 59% year-on-year and up 4% quarter-on-quarter. Mass GGR was HK\$7.7 billion, up 57% year-on-year and down 1% quarter-on-quarter. Rolling chip GGR was HK\$1.3 billion, up 64% year-on-year and up 43% quarter-on-quarter. Electronic GGR was HK\$600 million, up 78% year-on-year and up 18% quarter-on-quarter.

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

## Group Key Financial Data

(HK\$'m)

	Q1 2023	Q4 2023	Q1 2024
Revenues:			
Net Gaming	5,323	7,961	8,181
Non-gaming	1,033	1,580	1,606
Construction Materials	698	778	765
Total Net Revenue	7,054	10,319	10,552
Adjusted EBITDA	1,907	2,807	2,835

## Gaming Statistics<sup>2</sup>

(HK\$'m)

	Q1 2023	Q4 2023	Q1 2024
Rolling Chip Volume <sup>3</sup>	21,548	34,599	38,457
Win Rate %	3.7%	2.6%	3.4%
Win	794	909	1,299
Mass Table Drop <sup>4</sup>	20,675	30,696	31,471
Win Rate %	23.9%	25.5%	24.6%
Win	4,934	7,826	7,728
Electronic Gaming Volume	8,576	16,383	19,043
Win Rate %	3.9%	3.1%	3.1%
Win	337	508	600
Total GGR Win <sup>5</sup>	6,065	9,243	9,627

## Balance Sheet and Dividend

The Group's balance sheet remains healthy and liquid. As of 31 March 2024, cash and liquid investments were HK\$26.4 billion and the net position was HK\$25.0 billion after debt of HK\$1.4 billion. 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 a special dividend of HK\$0.30 per share on 26 April 2024.

<sup>2</sup> Gaming statistics are presented before deducting commission and incentives.

<sup>3</sup> Represents sum of junket VIP and inhouse premium direct.

<sup>4</sup> Mass table drop includes the amount of table drop plus cash chips purchased at the cage.

<sup>5</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 2024, Galaxy Macau™'s Net Revenue was HK\$8.3 billion, up 55% year-on-year and up 2% quarter-on-quarter. Adjusted EBITDA was HK\$2.6 billion, up 42% year-on-year and up 2% quarter-on-quarter. Adjusted EBITDA margin was 31% (Q1 2023: 35%).

Galaxy Macau™ played lucky in its gaming operations which increased its Adjusted EBITDA by approximately HK\$48 million. Normalized Q1 2024 Adjusted EBITDA was HK\$2.6 billion, up 44% year-on-year and down 4% quarter-on-quarter.

The combined seven hotels occupancy was 97% for Q1 2024.

### Galaxy Macau™ Key Financial Data

(HK\$'m)

	Q1 2023	Q4 2023	Q1 2024
Revenues:			
Net Gaming	4,442	6,781	<b>6,887</b>
Hotel / F&B / Others	470	1,046	<b>1,056</b>
Mall	436	364	<b>371</b>
Total Net Revenue	5,348	8,191	<b>8,314</b>
Adjusted EBITDA	1,846	2,569	<b>2,613</b>
Adjusted EBITDA Margin	35%	31%	<b>31%</b>

### Gaming Statistics<sup>6</sup>

(HK\$'m)

	Q1 2023	Q4 2023	Q1 2024
Rolling Chip Volume <sup>7</sup>	21,548	33,874	<b>37,433</b>
Win Rate %	3.7%	2.6%	<b>3.3%</b>
Win	794	880	<b>1,243</b>
Mass Table Drop <sup>8</sup>	15,124	23,692	<b>24,472</b>
Win Rate %	26.2%	27.7%	<b>26.2%</b>
Win	3,970	6,570	<b>6,406</b>
Electronic Gaming Volume	6,290	10,650	<b>12,779</b>
Win Rate %	4.6%	3.9%	<b>3.8%</b>
Win	291	418	<b>487</b>
Total GGR Win	5,055	7,868	<b>8,136</b>

<sup>6</sup> Gaming statistics are presented before deducting commission and incentives.

<sup>7</sup> Represents sum of junket VIP and inhouse premium direct.

<sup>8</sup> Mass table drop includes the amount of table drop plus cash chips purchased at the cage.

## StarWorld Macau

In Q1 2024, StarWorld Macau's Net Revenue was HK\$1.4 billion, up 46% year-on-year and up 9% quarter-on-quarter. Adjusted EBITDA was HK\$435 million, up 101% year-on-year and up 23% quarter-on-quarter. Adjusted EBITDA margin was 32% (Q1 2023: 23%).

StarWorld Macau played lucky in its gaming operations which increased its Adjusted EBITDA by approximately HK\$15 million. Normalized Q1 2024 Adjusted EBITDA was HK\$420 million, up 94% year-on-year and up 20% quarter-on-quarter.

Hotel occupancy was 100% for Q1 2024.

### StarWorld Macau Key Financial Data

(HK\$m)

	Q1 2023	Q4 2023	Q1 2024
Revenues:			
Net Gaming	828	1,122	1,235
Hotel / F&B / Others	105	127	128
Mall	5	6	6
Total Net Revenue	938	1,255	1,369
Adjusted EBITDA	216	353	435
Adjusted EBITDA Margin	23%	28%	32%

### Gaming Statistics<sup>9</sup>

(HK\$m)

	Q1 2023	Q4 2023	Q1 2024
Rolling Chip Volume <sup>10</sup>	NIL	725	1,024
Win Rate %	NIL	4.0%	5.5%
Win	NIL	29	56
Mass Table Drop <sup>11</sup>	5,289	6,748	6,756
Win Rate %	17.5%	18.0%	19.0%
Win	926	1,217	1,283
Electronic Gaming Volume	1,406	4,533	5,045
Win Rate %	2.3%	1.6%	1.8%
Win	32	72	93
Total GGR Win	958	1,318	1,432

<sup>9</sup> Gaming Statistics are presented before deducting commission and incentives.

<sup>10</sup> Represents inhouse premium direct.

<sup>11</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. In Q1 2024, Broadway Macau™'s Net Revenue was HK\$46 million, up 156% year-on-year, up 21% quarter-on-quarter this follows the reopening of Broadway Hotel. Adjusted EBITDA was HK\$4 million, versus HK\$(10) million in Q1 2023 and HK\$(2) million in Q4 2023.

## **City Clubs**

In Q1 2024, City Clubs' Net Revenue was HK\$58 million, up 12% year-on-year and up 2% quarter-on-quarter. Adjusted EBITDA was HK\$4 million, up 33% year-on-year and up 33% quarter-on-quarter.

## **Construction Materials Division (“CMD”)**

In Q1 2024, CMD was seasonally impacted by Chinese New Year, where many construction workers travel to their home province resulting in the seasonal shutdown of construction sites. For the quarter, CMD delivered Adjusted EBITDA of HK\$110 million, up 9% year-on-year and down 46% 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.

At StarWorld Macau we are evaluating a range of major upgrades, that includes the main gaming floor, the lobby arrival experience and increasing the F&B options.

### ***Cotai – The Next Chapter***

We are pleased to announce the opening of Capella at Galaxy Macau in mid-2025. The 17-storey hotel offers approximately 100 ultra-luxury sky villas and suites. Each Sky Villa features a light-filled balcony with a transparent infinity-edge pool, outdoor lounge, sunroom and hidden winter garden, among others. Capella at Galaxy Macau promises to bring a new level of elegant luxury to Macau.

We were ramping up 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, a water resort deck and a casino. 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 Q1 2024

<b>AWARD</b>	<b>PRESENTER</b>
<b>GEG</b>	
Sustainability Award	International Gaming Awards 2024
<b>GALAXY MACAU™</b>	
Michelin One-Star Restaurant - 8½ Otto e Mezzo BOMBANA - Lai Heen  Selected Restaurants - Terrazza Italian Restaurant - The Ritz-Carlton Cafe - Saffron	The MICHELIN Guide Hong Kong Macau 2024
One Diamond – 8½ Otto e Mezzo BOMBANA	Black Pearl Restaurant Guide 2024
Best Trendy Hotel – Andaz Macau Best Luxury Hotel – Raffles at Galaxy Macau	The Bund Design Hotel Awards
The Most Anticipated New Hotel of the Year – Andaz Macau Luxury Hotel of the Year – Raffles at Galaxy Macau	HotelShare Media
Newly Opened Hotel of the Year – Andaz Macau	First Journey Media
Five-Star Hotel - Galaxy Hotel™ - Hotel Okura Macau - Banyan Tree Macau - The Ritz-Carlton Macau  Five-Star Restaurant - 8½ Otto e Mezzo BOMBANA - Lai Heen  Five-Star Spa - The Ritz-Carlton Spa, Macau - Banyan Tree Spa Macau	2024 Forbes Travel Guide
Best Hotel Spa - Banyan Tree Spa Macau	Vogue Beauty Awards 2024
SCMP 100 Top Tables 2024 Award - 8½ Otto e Mezzo BOMBANA - Lai Heen	South China Morning Post
<b>STARWORLD MACAU</b>	
Michelin Two-Star Restaurant – Feng Wei Ju	The MICHELIN Guide Hong Kong Macau 2024
One Diamond – Feng Wei Ju	Black Pearl Restaurant Guide 2024
SCMP 100 Top Tables 2024 Award – Feng Wei Ju	South China Morning Post
<b>CMD</b>	
Caring Company Scheme – 20 Years Plus Caring Company Logo	The Hong Kong Council of Social Service

## Outlook

During 2024 Macau has continued to experience an ongoing recovery with both growth in visitor numbers and associated revenues. The recovery has been predominately led by the premium segment. We still see pent up demand from Mainland, particularly for tourism, leisure and travel and Macau remains one of the top choices for travel destinations by Mainland Chinese.

The Central Government continues to strongly support Macau this is evidenced by the recent expansion of the existing IVS to include an additional 10 cities. This brings the total number of Chinese cities under the IVS to 59 cities, with a combined total population of over 490 million.

Further, The National Immigration Administration of China introduced new measures for Mainlanders including residents from 20 large cities to be able to update or reissue their travel documents entirely online, Mainlanders who participate in exhibitions or art performances can apply “other” visa type for multiple-entry visits to Macau for one year, and multi-entry tour visas within 7 days for Mainlanders who participated in Hengqin-Macau group tours. These new measures were effective from 6 May 2024.

Infrastructure to both access Macau and to move throughout Macau continues to improve. In February the Jinhai Avenue Bridge and Zhuhai Urban-Airport Intercity Railway Phase 2 were officially opened. This is a new bridge that directly connect the Zhuhai airport to Hengqin Island and allows cars and trains to travel from the Zhuhai airport to Hengqin in about 15 minutes.

The Zhuhai airport connects to 50 plus cities in China and will have a capacity of 27.5 million passengers when terminal 2 is completed this year. In comparison, the Macau airport connects to 48 cities in China and has a capacity of 10 million passengers. Within Macau the fourth cross-harbor bridge is expected to open later this year and connects the peninsula to Cotai which will allow easier travel within Macau.

The Macau Government through its tourism authority in combination with the six concessionaires continues to actively promote Macau both within Mainland China and Asia. To support these initiatives GEG has opened overseas business development offices in Tokyo and Seoul and is soon to open an office in Bangkok. This is in-line with our commitment to the Government to further increase the number and flow of high value international visitors to Macau.

We continue to ramp up the newly opened Phase 3 development with a particular focus on events and entertainment shows. The development of Phase 4 continues and will greatly expand our capacity within Macau. We continue to remain confident in the outlook for Macau and are committed to supporting the Macau Government’s vision to develop Macau into the World Centre of Tourism and Leisure.

## 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, 14 May 2024

*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](http://www.galaxyentertainment.com)