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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)**

### **REVERSION OF CASINOS AND GAMING ASSETS USE OF REVERTED CASINOS AND GAMING ASSETS**

This announcement is made to update shareholders and potential investors in GEG on the latest business development of the GEG Group.

As mentioned in public documents of GEG, including GEG's announcements on 23 June 2022 and 19 December 2022, all casinos and related assets for gaming business would be reverted to the Macau Government without compensation, free and clear of any liabilities and encumbrances, pursuant to article 40 of the Gaming Law No. 16/2001 upon the expiry of the existing Gaming Concession Contract on 31 December 2022.

#### **REVERSION OF PROPERTY CONTRACTS**

The Board announces that on 30 December 2022 the Macau Government and GCSA together with each of NGE, SW and BM, all being subsidiaries of GEG, executed a separate Reversion of Property Contract, pursuant to which the casino areas of Galaxy Macau, StarWorld and Broadway respectively held by NGE, SW and BM, together with the gaming assets held by GCSA, were reverted to Macau Government without compensation.

#### **USE OF REVERTED CASINOS AND GAMING ASSETS**

Pursuant to paragraph 1 of Article 37 of Gaming Law No. 16/2001, the Macau Government temporarily hands over the reverted casinos and gaming assets to GCSA for its continuing use in gaming operations during the 10-year term (commencing from 1 January 2023) of the new Gaming Concession Contract executed on 16 December 2022 at an annual premium payable as follows:

1<sup>st</sup> Year: MOP750 (approximately HK\$728) per square meter

2<sup>nd</sup> to 3<sup>rd</sup> Year: prior year premium adjusted by reference to the average price index of Macau

4<sup>th</sup> Year: MOP2,500 (approximately HK\$2,427) per square meter

5<sup>th</sup> to 10<sup>th</sup> Year: prior year premium adjusted by reference to the average price index of Macau.

As all of the applicable percentage ratios (as defined under Rule 14.07 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited) are less than 5%, this is not subject to any requirements under Chapter 14 of those Rules.

## **REASONS FOR AND BENEFITS OF THE REVERSION OF PROPERTY CONTRACTS**

The GEG Group's core business is the development and operation of casinos and related facilities in Macau. The Reversion of Property Contracts are part of the arrangement under the existing Gaming Concession Contract expired on 31 December 2022. The reverted casinos and gaming assets remain available for GCSA's continuing use to operate gaming businesses in Macau for the next decade under the new Gaming Concession Contract. The Board considers that the terms of the Reversion of Property Contracts are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **INFORMATION ON THE PARTIES**

The Company is the holding company of GCSA, NGE, SW and BM. GCSA is one of the six companies authorized to operate games of fortune and other games of chance in casinos by the Macau Government. Each of NGE, SW and BM holds the relevant property reverted and the related gaming assets reverted are held by GCSA.

The Macau Government is the duly-appointed government of Macau. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Macau Government is independent of and not connected with the Company and its connected persons.

**Shareholders of GEG and potential investors are advised to exercise caution when dealing in the shares of GEG.**

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of directors of GEG;
“BM”	Broadway Macau Hotel Company Limited, a subsidiary of GEG incorporated in Macau with limited liability;
“connected persons”	the meaning ascribed to the expression under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Director(s)”	the directors of GEG;
“Gaming Concession Contract”	a gaming concession contract pursuant to the Gaming Law for the operation of Games of Chance or other Games in Casino in Macau;

“Gaming Law”	the Macau Gaming Laws being Law No. 16/2001 published on 24 September 2001 and Administrative Regulation No. 26/2001, published on 29 October 2001 as from time to time amended which, together with other separate laws, regulations and administrative orders, regulate gaming activity in Macau;
“GCSA”	Galaxy Casino S.A., a subsidiary of GEG incorporated in Macau with limited liability;
“GEG” or “the Company”	Galaxy Entertainment Group Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of The Stock Exchange of Hong Kong Limited (stock code: 27.HK);
“GEG Group”	GEG and its subsidiaries;
“HK\$”	Hong Kong dollars;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Macau”	the Macau Special Administrative Region of the People’s Republic of China;
“Macau Government”	the government of Macau;
“MOP”	Patacas, the lawful currency of Macau;
“NGE”	New Galaxy Entertainment 2006 Company Limited, a subsidiary of GEG incorporated in Macau with limited liability;
“Reversion of Property Contract”	a contract for the reversion to the Macau Government of the casinos and related assets for gaming business referred to in it; and
“SW”	StarWorld Hotel Company Limited, a subsidiary of GEG incorporated in Macau with limited liability;

*For the purposes of this announcement, amounts in MOP are translated into HK\$ at the rate of MOP1.03 = HK\$1.00 for illustration only. No representation is made that any amounts in MOP were, could have been or could be converted to HK\$ at such rate or any other rates.*

By Order of the Board  
**Galaxy Entertainment Group Limited**  
**Jenifer Sin Li Mei Wah**  
*Company Secretary*

Hong Kong, 3 January 2023

*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.*

Website: [www.galaxyentertainment.com](http://www.galaxyentertainment.com)