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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)

DISCLOSEABLE TRANSACTION IN RELATION TO AN ACQUISITION OF SHARES IN WYNN RESORTS, LIMITED

The Board is pleased to announce that on 22 March 2018 (United States Eastern Time), Galaxy Entertainment Group Limited (“GEG”) and the Seller entered into the Stock Purchase Agreement, pursuant to which, the Seller agreed to sell, and GEG agreed to purchase, the Acquisition Shares, being 5,300,000 shares of Common Stock in Wynn Resorts at the Consideration of US\$927,500,000.00 (equivalent to approximately HK\$7,280,875,000) or US\$175.00 (equivalent to approximately HK\$1,373.75) per Acquisition Share. The Acquisition Shares represent approximately 4.9% of the issued share capital of Wynn Resorts as at the date of Closing.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition are 5% or more but all such percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction of GEG under Chapter 14 of the Listing Rules and is therefore subject to the notification and publication requirements under Chapter 14 of the Listing Rules. To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, the Seller and its ultimate beneficial owners are Independent Third Parties.

As Closing is subject to the fulfillment of a number of condition(s) precedent as set out in the Stock Purchase Agreement, the Acquisition may or may not proceed. Shareholders and public investors of GEG should exercise caution when dealing in the securities of GEG.

INTRODUCTION

The Board is pleased to announce that on 22 March 2018 (United States Eastern Time), GEG and the Seller entered into the Stock Purchase Agreement. Principal terms of the Stock Purchase Agreement are summarized below.

STOCK PURCHASE AGREEMENT

Date: 22 March, 2018 (United States Eastern Time)

Parties

Seller: Deutsche Bank Securities Inc.
Purchaser: GEG

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Seller and its ultimate beneficial owners are Independent Third Parties.

Acquisition Shares:

The Seller has agreed to sell, and GEG has agreed to purchase, the Acquisition Shares, which represents approximately 4.9% of the issued share capital of Wynn Resorts as at the date of Closing.

GEG shall have the right to assign its rights under the Stock Purchase Agreement to receive the Acquisition Shares (but not any of its obligations) to a wholly-owned subsidiary reasonably acceptable to the Seller.

Consideration and payment terms:

The Consideration for the Acquisition Shares is US\$927,500,000.00 (equivalent to approximately HK\$7,280,875,000.00) or US\$175.00 (equivalent to approximately HK\$1,373.75) per Acquisition Share, which shall be paid by GEG at Closing. The Consideration was determined after arm's length negotiations between the Seller and GEG.

In determining the Consideration, the Board has taken into account, the prevailing market prices and recent trading volumes of the Acquisition Shares, amongst others.

The Consideration will be financed in part from internal resources of the GEG Group and in part from bank borrowings.

Conditions Precedent:

Closing of the Acquisition shall be subject to (amongst others) and substantially concurrently with the occurrence of the purchase of 5,300,000 shares of Common Stock of Wynn Resorts by the Seller from Wynn Resorts pursuant to the terms and conditions of the Underwriting Agreement.

Closing:

Closing shall take place at 10:00 a.m., United States Eastern time, on 3 April 2018.

Termination:

The Stock Purchase Agreement may be terminated:

- (1) at any time prior to Closing by mutual written consent of both the Seller and GEG;
- (2) automatically upon the termination of the Underwriting Agreement;
- (3) by GEG if Stephen A. Wynn and/or the Wynn Family Limited Partnership, a Delaware limited partnership (together, the “**Selling Stockholders**”) have not entered into one or more binding agreements with respect to the sale of 8,000,000 or more shares of Common Stock owned by the Selling Stockholders as of the date of the Stock Purchase Agreement to one or more long-term institutional investors, whom are currently investors in Wynn Resorts (or their respective affiliates) at a price of no less than US\$175.00 per share on or prior to 8:00 p.m. New York City time on 22 March 2018; or
- (4) by either GEG or the Seller if Closing has not occurred by 5:00 p.m. United States Eastern time on 3 April 2018, unless the relevant closing date under the Underwriting Agreement has been extended pursuant to the terms of the Underwriting Agreement.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Acquisition may permit additional value to be created for the shareholders of GEG. Accordingly, the Board considers that the terms of the Stock Purchase Agreement are fair and reasonable, and the Acquisition is in the interests of GEG and its shareholders as a whole.

INFORMATION ABOUT GEG GROUP

The principal activities of the GEG Group are the operation of casino games of chance or games of other forms, provision of hospitality and related services in Macau, and the manufacture, sale and distribution of construction materials in Hong Kong, Macau and the People’s Republic of China.

INFORMATION ABOUT WYNN RESORTS AND WYNN GROUP

According to information published by it, Wynn Resorts is a leading developer, owner and operator of destination casino resorts (integrated resorts) that integrate hotel accommodations and a wide range of amenities, including fine dining outlets, premium retail offerings, distinctive entertainment theaters and large meeting complexes. Wynn Resorts is traded on NASDAQ under the ticker symbol WYNN and is part of the Standard & Poor's 500 index.

Wynn Resorts owns and operates Wynn and Encore Las Vegas, Wynn Macau and Wynn Palace, Cotai.

Set out below are certain consolidated financial information of the Wynn Group for the two financial years immediately preceding the Acquisition:

	as at 31 December 2017 US\$'000	as at 31 December 2016 US\$'000
NET PROFITS BEFORE TAXATION	560,269	310,597
Tax Benefit (expense)	328,985	(8,128)
NET PROFITS AFTER TAXATION	889,254	302,469
<u>TOTAL ASSETS</u>	<u>12,681,739</u>	<u>11,953,557</u>

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios set out (as defined under the Listing Rules) in respect of the Acquisition are 5% or more but all such percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction of GEG under Chapter 14 of the Listing Rules and is therefore subject to the notification and publication requirements under Chapter 14 of the Listing Rules. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Seller and its ultimate beneficial owners are Independent Third Parties

As Closing is subject to the fulfillment of a number of condition(s) precedent as set out in the Stock Purchase Agreement, the Acquisition may or may not proceed. Shareholders and public investors of GEG should exercise caution when dealing in the securities of GEG.

DEFINITIONS

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

“Acquisition Shares” the 5,300,000 shares of Common Stock in Wynn Resorts that are the subject of the Stock Purchase Agreement

“Acquisition”	the acquisition by GEG of the Acquisition Shares pursuant to the Stock Purchase Agreement
“Board”	the board of Directors at the relevant time
“Closing”	10:00 a.m., United States Eastern time, on 3 April 2018
“connected person”	the meaning ascribed to it in the Listing Rules
“Common Stock”	common stock of par value US\$0.01 per share of Wynn Resorts
“Consideration”	the aggregate amount of US\$927,500,000.00 (equivalent to approximately HK\$7,280,875,000) or US\$175.00 (equivalent to approximately HK\$1,373.75) per Acquisition Share
“Directors”	the directors of GEG
“GEG”	Galaxy Entertainment Group Limited, a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“GEG Group”	GEG and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parties”	persons who are independent of and not connected with GEG and its connected persons
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“NASDAQ”	the NASDAQ (National Association of Securities Dealers Automated Quotation System) Global Select Market in the United States of America
“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“Seller”	Deutsche Bank Securities Inc., a company incorporated in the state of Delaware, United States of America with limited liability

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Stock Purchase Agreement”	the Stock Purchase Agreement, dated as of 22 March, 2018 between the Seller and GEG in relation to GEG’s acquisition of the Acquisition Shares from the Seller in accordance with the terms thereto
“Underwriting Agreement”	the underwriting agreement to be entered into between the Seller and Wynn Resorts on 22 March 2018, pursuant to which the Seller shall agree to purchase, and Wynn Resorts agree to sell, an aggregate of 5,300,000 shares of Common Stock of Wynn Resorts pursuant to the terms and conditions thereunder
“Wynn Group”	Wynn Resorts and its subsidiaries
“Wynn Resorts”	Wynn Resorts, Limited, a company incorporated in Nevada, United States of America with limited liability the securities of which are listed on the NASDAQ (ticker symbol: “WYNN”)
“US\$”	dollars, the lawful currency of the United States of America

In this announcement, amounts expressed in US\$ and translated into HK\$, are translated at the rate of US\$1.00 to HK\$7.85.

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

Hong Kong, 23 March 2018

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 Ms. 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 and Professor Patrick Wong Lung Tak.

Website: www.galaxyentertainment.com