



GALAXY ENTERTAINMENT GROUP

Q2 & INTERIM RESULTS 2020

**CONTINUE WORKING CLOSELY WITH MACAU COMMUNITY TO
CONTROL COVID-19**

**Q2 2020 GROUP ADJUSTED EBITDA OF \$(1.4) BILLION
VS \$4.3 BILLION IN Q2 2019 AND \$0.3 BILLION IN Q1 2020**

EFFECTIVELY CONTROLLING COSTS

Hong Kong, 13 August 2020 – Galaxy Entertainment Group (“GEG”, “Company” or the “Group”) (HKEx stock code: 27) today reported results for the three month and six month periods ended 30 June 2020. (All amounts are expressed in Hong Kong dollars unless otherwise stated)

LETTER FROM THE CHAIRMAN OF GALAXY ENTERTAINMENT GROUP

I would like to take this opportunity to update you on the status of GEG during the period of COVID-19. Q2 2020 continued to be a difficult period for the community and businesses globally including Macau and GEG.

First and foremost, the Macau government continues to perform admirably throughout the pandemic with proactive and decisive leadership and generating community support. They are clearly focused on public health and safety as well as economic and social stability. As a responsible corporation GEG continues to work closely with and support the Macau Government, local SMEs and local employment. COVID-19 had an adverse impact on our financial results in Q2 and in the first half of 2020, as Mainland China, Hong Kong and Macau faced travel restrictions and social distancing. These restrictions resulted in a significant reduction in visitor arrivals and subsequent decline in revenue. With minimal revenue and ongoing staff costs, the Group’s Adjusted EBITDA was negative \$1.4 billion for the second quarter.

We are pleased that Macau and Guangdong have taken the critical step in creating a travel bubble followed most notably, by the reinstatement of the Individual Visit Scheme (IVS) and group travel for Zhuhai Hukou residents and Zhuhai Resident Permit holders to visit Macau effective yesterday. The government subsequently announced that they will expand the IVS and group travel beyond Zhuhai to Guangdong Province by the end of August 2020 and Nationwide by the end of September 2020 provided the pandemic situation continues to improve. Despite these important positive early steps, it is premature to comment on how quickly the market may recover. Going forward we expect to experience further head winds from the pandemic, which will have an adverse impact on our financial performance. However in the medium to longer term, we continue to remain optimistic in the outlook for Macau in general and GEG specifically.

We continue to make good progress with our development projects, including Cotai Phases 3 & 4 as well as existing enhancement projects at our resorts. These projects will help support the Macau Government’s vision to develop Macau into a World Center of Tourism and Leisure. We also continue to make progress with our international expansion plans and we do acknowledge that timelines for Japan may be impacted by the worldwide pandemic of COVID-19, however we can adjust accordingly and we remain committed to our Japan expansion plans.



Our balance sheet remains strong with \$49.8 billion in cash and liquid investments and \$43.6 billion of net cash as well as virtually unlevered. On 24 April 2020, GEG paid a special dividend of \$0.45 per share. Given the ongoing impact of COVID-19, today the Board has decided not to declare a dividend.

During this period of very low revenue our focus has shifted from revenue generation to effective cost control. However, it is important to not cut costs excessively and therefore adversely impact our ability to deliver upon customer service standards when business returns. We remain committed to support the Macau Government, local employment and SMEs.

I wish to assure you that the management and staff have been working diligently in regards to health, safety and hygiene so that our resorts are operationally ready as travel restrictions ease. These included the introduction of a number of policies and procedures to elevate the cleaning and hygiene standards across our resorts. The wellbeing of our staff and guests is our highest priority. It is pleasing to note that there have been no new locally transmitted COVID-19 cases in Macau since 9 April 2020. The Macau Government, health authorities and the community should be commended for this outstanding achievement.

At GEG we take our corporate social responsibility most seriously. Some of our efforts during the first half of 2020 have included making a cash contribution of \$100 million, to assist in the fight against COVID-19. In addition, the Galaxy Entertainment Group Foundation subscribed \$100 million to a special purpose Macau COVID-19 Recovery Bond. We also donated 1 million face masks, financially contributed to the deep cleaning of 35 local schools, provided numerous food & hygiene hampers to the needy and provided support to the broader community to name a few.

We would like to thank everyone from the Macau Government, the community and the GEG team who supported the Company in these difficult times. We are proud to report that virtually all team members made voluntary contributions including the Board which also waived their Director's fee, management who participated in our non-paid leave program and the many group members who joined our Flexi Family Care Program. At GEG we have tried to spread the impact of COVID-19 fairly across all team members as we prefer not to engage in redundancies.

Finally, I would like to acknowledge the efforts of the health and emergency personnel who have worked so hard to ensure the safety of Macau and I would also like to thank our staff for being so supportive of our Company during this period of time. Thank you.

Dr. Lui Che Woo

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

Q2 & INTERIM 2020 RESULTS HIGHLIGHTS

GEG: Well Capitalized to Weather the Storm

- 1H Group Net Revenue of \$6,223 million, down 76% year-on-year
- 1H Group Adjusted EBITDA of \$(1,087) million Vs \$8,315 million in 1H 2019
- 1H Net Loss Attributable to Shareholders of \$2,856 million Vs profit of \$6,680 million in 1H 2019
- Q2 Group Net Revenue of \$1,153 million, down 91% year-on-year and down 77% quarter-on-quarter
- Q2 Group Adjusted EBITDA of \$(1,370) million, Vs \$4,332 million in Q2 2019 and \$283 million in Q1 2020
- Played lucky in Q2 which increased Adjusted EBITDA by approximately \$3 million, normalized Q2 Adjusted EBITDA of \$(1,373) million, Vs \$3,983 million in Q2 2019 and \$199 million in Q1 2020
- LTM Adjusted EBITDA of \$7,077 million, down 57% year-on-year and down 45% quarter-on-quarter

**Galaxy Macau™: Adjusting Operations to the Current Business Environment**

- 1H Net Revenue of \$3,835 million, down 80% year-on-year
- 1H Adjusted EBITDA of \$(848) million Vs \$6,258 million in 1H 2019
- Q2 Net Revenue of \$311 million, down 97% year-on-year and down 91% quarter-on-quarter
- Q2 Adjusted EBITDA of \$(1,177) million, Vs \$3,235 million in Q2 2019 and \$329 million in Q1 2020
- Played lucky in Q2 which increased Adjusted EBITDA by approximately \$12 million, normalized Q2 Adjusted EBITDA of \$(1,189) million, Vs \$2,982 million in Q2 2019 and \$256 million in Q1 2020
- Hotel occupancy for Q2 across the five hotels was 4%

StarWorld Macau: Adjusting Operations to the Current Business Environment

- 1H Net Revenue of \$1,083 million, down 81% year-on-year
- 1H Adjusted EBITDA of \$(202) million Vs \$1,892 million in 1H 2019
- Q2 Net Revenue of \$81 million, down 97% year-on-year and down 92% quarter-on-quarter
- Q2 Adjusted EBITDA of \$(306) million, Vs \$943 million in Q2 2019 and \$104 million in Q1 2020
- Played unlucky in Q2 which decreased Adjusted EBITDA by approximately \$9 million, normalized Q2 Adjusted EBITDA of \$(297) million, Vs \$851 million in Q2 2019 and \$92 million in Q1 2020
- Hotel occupancy for Q2 was 4%

Broadway Macau™: A Unique Family Friendly Resort, Strongly Supported By Macau SMEs

- 1H Net Revenue of \$65 million Vs \$298 million in 1H 2019
- 1H Adjusted EBITDA of \$(97) million Vs \$21 million in 1H 2019
- Q2 Net Revenue of \$12 million Vs \$147 million in Q2 2019 and \$53 million in Q1 2020
- Q2 Adjusted EBITDA of \$(52) million Vs \$6 million in Q2 2019 and \$(45) million in Q1 2020
- There was no luck impact on Q2 Adjusted EBITDA
- Hotel occupancy for Q2 was 9%

Balance Sheet: Maintain a Healthy and Liquid Balance Sheet

- Cash and liquid investments were \$49.8 billion and net cash was \$43.6 billion as at 30 June 2020
- Debt of \$6.2 billion as at 30 June 2020 primarily associated with treasury yield management program
- Paid the previously announced special dividend of \$0.45 per share on 24 April 2020
- Given the ongoing impact of COVID-19, today the Board has decided not to declare a dividend

Development Update: Continue to Pursue Development Opportunities

- We continue to make ongoing progressive enhancements to our resorts to ensure that they remain competitive and appealing to our guests
- Cotai Phases 3 & 4 – Continue with development works for Phases 3 & 4, with a strong focus on non-gaming, primarily targeting MICE, entertainment, family facilities and also including gaming, given COVID-19, timelines may be impacted
- Hengqin – Refining plans for a lifestyle resort to complement our high-energy entertainment resorts in Macau
- International – Continuously exploring opportunities in overseas markets, including Japan

Market Overview

COVID-19 had an adverse impact on the market for the majority of the first half of 2020. Based on DICJ reporting, Macau's Gross Gaming Revenue ("GGR") for the first half of 2020 was down 77% year-on-year to \$32.7 billion. Q2 2020 GGR was down 96% year-on-year and down 89% quarter-on-quarter to \$3.1 billion.

In the first half of 2020, visitor arrivals to Macau were 3.3 million, down 84% year-on-year, in which overnight visitors and same-day visitors both decreased 84% year-on-year. Mainland visitor arrivals to Macau were 2.3 million, down 84% year-on-year. For Q2 2020, visitor arrivals to Macau were 49,730, down 99% year-on-year. Mainland visitor arrivals to Macau were 46,360, down 99% year-on-year.



Macau confirmed its first case of COVID-19 on 22 January, on the same day the DICJ required all staff in casinos to wear protective masks whilst at work. The Macao Government Tourism Office also announced that all activities and events it had planned for the Chinese New Year period would be cancelled. Within a week, group travel tours and the IVS to Macau and Hong Kong were suspended.

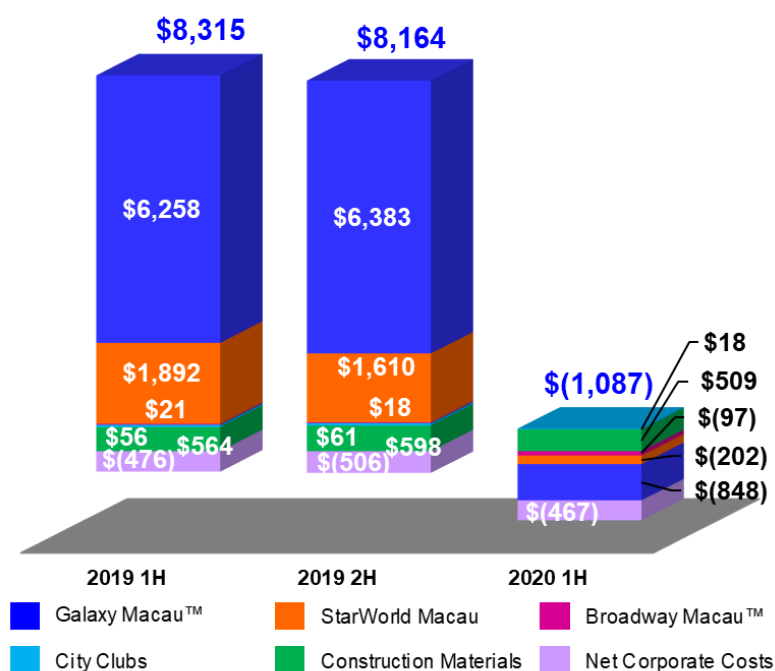
The Macau Government acted rapidly and decisively to the pandemic with the announcement of the suspension of operations at all casinos, government services, and entertainment facilities for 15 days to contain the COVID-19 outbreak from midnight 5 February 2020. Furthermore, border entry restrictions were introduced. On 15 July, Macau and Guangdong took the first step in creating a travel bubble through the reduction of quarantine restrictions. On 12 August, the IVS and group tour visas were reinstated for Zhuhai Hukou residents and Zhuhai Resident Permit holders to visit Macau, and will be further expanded Nationwide by the end of September provided the pandemic remains manageable.

Group Financial Results

1H 2020

The Group's 1H 2020 results posted Net Revenue of \$6,223 million, down 76% year-on-year and Adjusted EBITDA was \$(1,087) million Vs \$8,315 million in 1H 2019. Net loss attributable to shareholders was \$2,856 million Vs profit of \$6,680 million in 1H 2019. Galaxy Macau™'s Adjusted EBITDA was \$(848) million Vs \$6,258 million in 1H 2019. StarWorld Macau's Adjusted EBITDA was \$(202) million Vs \$1,892 million in 1H 2019. Broadway Macau™'s Adjusted EBITDA was \$(97) million Vs \$21 million in 1H 2019. Broadway Macau™'s Adjusted EBITDA was \$(97) million Vs \$21 million in 1H 2019. Broadway Macau™'s Adjusted EBITDA was \$(97) million Vs \$21 million in 1H 2019. Broadway Macau™'s Adjusted EBITDA was \$(97) million Vs \$21 million in 1H 2019.

1H 2020 GEG Adjusted EBITDA (HK\$m)





During 1H 2020, GEG experienced good luck in its gaming operation, which increased its Adjusted EBITDA by approximately \$87 million. Normalized 1H 2020 Adjusted EBITDA was \$(1,174) million, Vs \$7,855 million in 1H 2019.

The Group's total GGR on a management basis¹ in 1H 2020 was \$6,006 million, down 80% year-on-year as total mass table GGR was \$2,953 million, down 80% year-on-year and total VIP GGR was \$2,790 million, down 81% year-on-year. Total electronic GGR was \$263 million, down 78% year-on-year.

Group Key Financial Data

(HK\$m)	1H 2019	1H 2020
Revenues:		
Net Gaming	22,234	4,322
Non-gaming	2,653	679
Construction Materials	1,332	1,222
Total Net Revenue	26,219	6,223
Adjusted EBITDA	8,315	(1,087)

Gaming Statistics ² (HK\$m)	1H 2019	1H 2020
Rolling Chip Volume ³	383,234	74,873
Win Rate %	3.8%	3.7%
Win	14,754	2,790
Mass Table Drop ⁴	60,854	11,971
Win Rate %	24.0%	24.7%
Win	14,611	2,953
Electronic Gaming Volume	32,825	8,485
Win Rate %	3.7%	3.1%
Win	1,213	263
Total GGR Win ⁵	30,578	6,006

¹ 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.

² Gaming statistics are presented before deducting commission and incentives.

³ Reflects junket rolling chip volume only.

⁴ Mass table drop includes the amount of table drop plus cash chips purchased at the cage.

⁵ Total GGR win includes gaming win from City Clubs.

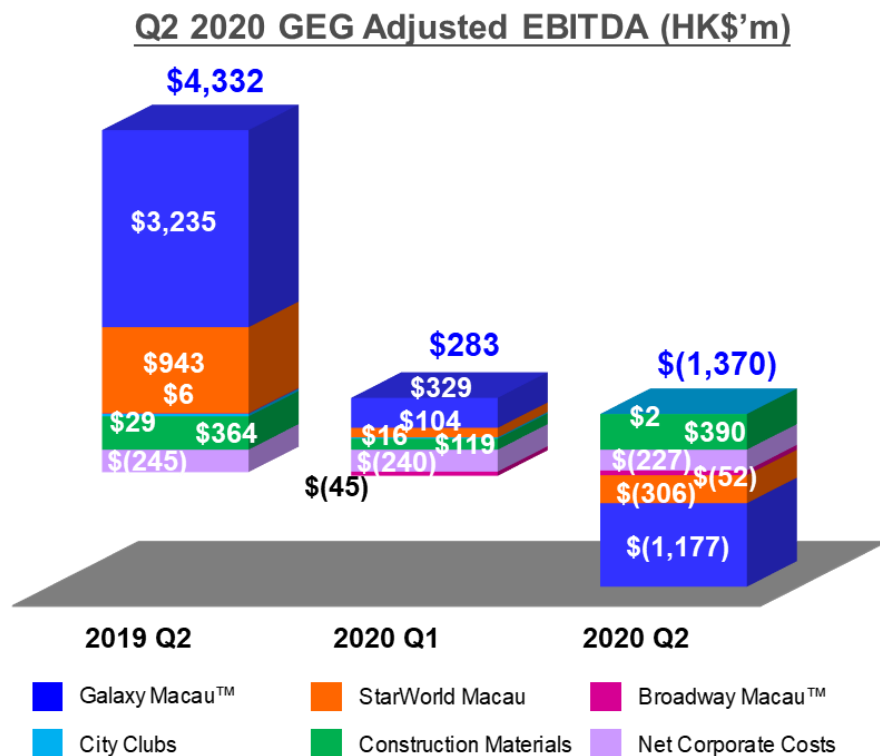


Q2 2020

The Group's Net Revenue decreased 91% year-on-year and decreased 77% quarter-on-quarter to \$1,153 million. Adjusted EBITDA was \$(1,370) million Vs \$4,332 million in Q2 2019 and \$283 million in Q1 2020. Galaxy Macau™'s Adjusted EBITDA was \$(1,177) million Vs \$3,235 million in Q2 2019 and \$329 million in Q1 2020. StarWorld Macau's Adjusted EBITDA was \$(306) million Vs \$943 million in Q2 2019 and \$104 million in Q1 2020. Broadway Macau™'s Adjusted EBITDA was \$(52) million Vs \$6 million in Q2 2019 and \$(45) million in Q1 2020.

Latest twelve months Adjusted EBITDA was \$7,077 million, down 57% year-on-year and down 45% quarter-on-quarter.

During Q2 2020, GEG experienced good luck in its gaming operations which increased Adjusted EBITDA by approximately \$3 million. Normalized Q2 2020 Adjusted EBITDA was \$(1,373) million, Vs \$3,983 million in Q2 2019 and \$199 million in Q1 2020.



The Group's total GGR on a management basis⁶ in Q2 2020 was \$485 million, down 97% year-on-year and down 91% quarter-on-quarter. Total mass table GGR was \$138 million, down 98% year-on-year and down 95% quarter-on-quarter. Total VIP GGR was \$315 million, down 96% year-on-year and down 87% quarter-on-quarter. Total electronic GGR was \$32 million, down 95% year-on-year and was down 86% quarter-on-quarter.

⁶ 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)

	Q2 2019	Q1 2020	Q2 2020	1H 2019	1H 2020
Revenues:					
Net Gaming	11,143	4,046	276	22,234	4,322
Non-gaming	1,315	549	130	2,653	679
Construction Materials	716	475	747	1,332	1,222
Total Net Revenue	13,174	5,070	1,153	26,219	6,223
Adjusted EBITDA	4,332	283	(1,370)	8,315	(1,087)

Gaming Statistics⁷

(HK\$m)

	Q2 2019	Q1 2020	Q2 2020	1H 2019	1H 2020
Rolling Chip Volume ⁸	179,666	68,169	6,704	383,234	74,873
Win Rate %	4.1%	3.6%	4.7%	3.8%	3.7%
Win	7,325	2,475	315	14,754	2,790
Mass Table Drop ⁹	30,391	11,189	782	60,854	11,971
Win Rate %	23.9%	25.2%	17.6%	24.0%	24.7%
Win	7,266	2,815	138	14,611	2,953
Electronic Gaming Volume	16,647	7,119	1,366	32,825	8,485
Win Rate %	3.6%	3.2%	2.4%	3.7%	3.1%
Win	607	231	32	1,213	263
Total GGR Win ¹⁰	15,198	5,521	485	30,578	6,006

Balance Sheet and Special Dividends

The Group's balance sheet remains liquid and healthy. As of 30 June 2020, cash and liquid investments were \$49.8 billion and net cash was \$43.6 billion. Total debt was \$6.2 billion as at 30 June 2020, this was due primarily to an ongoing treasury management exercise where interest income on cash holdings exceeds corresponding borrowing costs.

On 24 April 2020, GEG paid a special dividend of \$0.45 per share. Given the ongoing impact of COVID-19, today the Board has decided not to declare a dividend.

⁷ Gaming statistics are presented before deducting commission and incentives.

⁸ Reflects junket rolling chip volume only.

⁹ Mass table drop includes the amount of table drop plus cash chips purchased at the cage.

¹⁰ 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 1H 2020 was \$3,835 million, down 80% year-on-year. Adjusted EBITDA was \$(848) million Vs \$6,258 million in 1H 2019.

Galaxy Macau™ experienced good luck in its gaming operations which increased its Adjusted EBITDA by approximately \$85 million in 1H 2020. Normalized 1H 2020 Adjusted EBITDA was \$(933) million, Vs \$5,966 million in 1H 2019.

Q2 2020 Adjusted EBITDA was \$(1,177) million Vs \$3,235 million in Q2 2019 and \$329 million in Q1 2020.

Galaxy Macau™ experienced good luck in its gaming operations which increased its Adjusted EBITDA by approximately \$12 million in Q2 2020. Normalized Q2 2020 Adjusted EBITDA was \$(1,189) million, Vs \$2,982 million in 1H 2019.

The combined five hotels occupancy rate was 21% for 1H 2020 and 4% for Q2 2020.

Galaxy Macau™ Key Financial Data

(HK\$m)	Q2 2019	Q1 2020	Q2 2020	1H 2019	1H 2020
Revenues:					
Net Gaming	8,405	3,060	200	16,535	3,260
Hotel / F&B / Others	832	313	60	1,661	373
Mall	289	151	51	594	202
Total Net Revenue	9,526	3,524	311	18,790	3,835
Adjusted EBITDA	3,235	329	(1,177)	6,258	(848)
Adjusted EBITDA Margin	34%	9%	NEG ¹¹	33%	NEG

Gaming Statistics ¹² (HK\$m)	Q2 2019	Q1 2020	Q2 2020	1H 2019	1H 2020
Rolling Chip Volume ¹³	125,051	47,842	5,040	260,395	52,882
Win Rate %	4.4%	4.1%	4.9%	4.1%	4.2%
Win	5,501	1,962	246	10,754	2,208
Mass Table Drop ¹⁴	18,118	6,519	267	36,024	6,786
Win Rate %	27.6%	29.1%	25.6%	27.9%	29.0%
Win	4,993	1,897	69	10,061	1,966
Electronic Gaming Volume	11,235	4,482	463	22,341	4,945
Win Rate %	4.6%	4.0%	2.9%	4.5%	3.9%
Win	512	178	14	1,014	192
Total GGR Win	11,006	4,037	329	21,829	4,366

¹¹ NEG represents negative margin.

¹² Gaming statistics are presented before deducting commission and incentives.

¹³ Reflects junket rolling chip volume only.

¹⁴ Mass table drop includes the amount of table drop plus cash chips purchased at the cage.



StarWorld Macau

StarWorld Macau's Net Revenue was \$1,083 million in 1H 2020, down 81% year-on-year. Adjusted EBITDA was \$(202) million Vs \$1,892 million in 1H 2019.

StarWorld Macau experienced good luck in its gaming operations which increased its Adjusted EBITDA by approximately \$3 million in 1H 2020. Normalized 1H 2020 Adjusted EBITDA was \$(205) million, Vs \$1,732 million in 1H 2019.

Q2 2020 Adjusted EBITDA was \$(306) million Vs \$943 million in Q2 2019 and \$104 million in Q1 2020.

StarWorld Macau experienced bad luck in its gaming operations which decreased its Adjusted EBITDA by approximately \$9 million in Q2 2020. Normalized Q2 2020 Adjusted EBITDA was \$(297) million, Vs \$851 million in Q2 2019 and \$92 million in Q1 2020.

Hotel occupancy was 23% for 1H 2020 and 4% for Q2 2020.

StarWorld Macau Key Financial Data

(HK\$m)	Q2 2019	Q1 2020	Q2 2020	1H 2019	1H 2020
Revenues:					
Net Gaming	2,633	948	73	5,491	1,021
Hotel / F&B / Others	110	49	5	225	54
Mall	13	5	3	27	8
Total Net Revenue	2,756	1,002	81	5,743	1,083
Adjusted EBITDA	943	104	(306)	1,892	(202)
Adjusted EBITDA Margin	34%	10%	NEG ¹⁵	33%	NEG

Gaming Statistics ¹⁶					
(HK\$m)	Q2 2019	Q1 2020	Q2 2020	1H 2019	1H 2020
Rolling Chip Volume ¹⁷	53,905	18,509	1,216	121,485	19,725
Win Rate %	3.3%	2.4%	4.9%	3.3%	2.6%
Win	1,789	451	60	3,954	511
Mass Table Drop ¹⁸	8,877	3,584	314	18,142	3,898
Win Rate %	19.5%	20.2%	11.9%	19.2%	19.5%
Win	1,730	725	37	3,479	762
Electronic Gaming Volume	1,967	1,149	211	3,985	1,360
Win Rate %	2.0%	2.1%	2.6%	2.2%	2.2%
Win	40	24	6	86	30
Total GGR Win	3,559	1,200	103	7,519	1,303

¹⁵ NEG represents negative margin.

¹⁶ Gaming statistics are presented before deducting commission and incentives.

¹⁷ Reflects junket rolling chip volume only.

¹⁸ 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. The property's Net Revenue was \$65 million for 1H 2020 Vs \$298 million for 1H 2019. Adjusted EBITDA was \$(97) million for 1H 2020 Vs \$21 million in 1H 2019.

Broadway Macau™ experienced bad luck in its gaming operations which decreased its Adjusted EBITDA by approximately \$1 million in 1H 2020. Normalized 1H 2020 Adjusted EBITDA was \$(96) million Vs \$13 million in 1H 2019.

Q2 2020 Adjusted EBITDA was \$(52) million Vs \$6 million in Q2 2019 and \$(45) million in Q1 2020.

There was no luck impact on Broadway Macau™'s Adjusted EBITDA in Q2 2020. Normalized Q2 2020 Adjusted EBITDA was \$(52) million Vs \$2 million in Q2 2019 and \$(44) million in Q1 2020.

Hotel occupancy was 22% for 1H 2020 and 9% for Q2 2020.

Broadway Macau™ Key Financial Data

(HK\$m)

	Q2 2019	Q1 2020	Q2 2020	1H 2019	1H 2020
Revenues:					
Net Gaming	76	22	1	152	23
Hotel / F&B / Others	59	25	7	123	32
Mall	12	6	4	23	10
Total Net Revenue	147	53	12	298	65
Adjusted EBITDA	6	(45)	(52)	21	(97)
Adjusted EBITDA Margin	4%	NEG ¹⁹	NEG	7%	NEG

Gaming Statistics²⁰

(HK\$m)

	Q2 2019	Q1 2020	Q2 2020	1H 2019	1H 2020
Mass Table Drop ²¹	343	114	--	685	114
Win Rate %	21.3%	17.9%	--	20.9%	17.9%
Win	73	20	--	143	20
Electronic Gaming Volume	444	220	74	998	294
Win Rate %	2.4%	2.0%	2.1%	2.6%	2.1%
Win	11	5	1	26	6
Total GGR Win	84	25	1	169	26

¹⁹ NEG represents negative margin.

²⁰ Gaming statistics are presented before deducting commission and incentives.

²¹ Mass table drop includes the amount of table drop plus cash chips purchased at the cage.



City Clubs

City Clubs contributed \$18 million of Adjusted EBITDA to the Group's earnings for 1H 2020, down 68% year-on-year. Q2 2020 Adjusted EBITDA was \$2 million, down 93% year-on-year and down 88% quarter-on-quarter.

City Clubs Key Financial Data

(HK\$m)

	Q2 2019	Q1 2020	Q2 2020	1H 2019	1H 2020
Adjusted EBITDA	29	16	2	56	18

Gaming Statistics²²

(HK\$m)

	Q2 2019	Q1 2020	Q2 2020	1H 2019	1H 2020
Rolling Chip Volume ²³	710	1,818	448	1,354	2,266
Win Rate %	5.0%	3.4%	2.0%	3.4%	3.1%
Win	35	62	9	46	71
Mass Table Drop ²⁴	3,053	972	201	6,003	1,173
Win Rate %	15.4%	17.8%	15.6%	15.5%	17.4%
Win	470	173	32	928	205
Electronic Gaming Volume	3,001	1,268	618	5,501	1,886
Win Rate %	1.5%	1.9%	1.9%	1.6%	1.9%
Win	44	24	11	87	35
Total GGR Win	549	259	52	1,061	311

Construction Materials Division

CMD contributed Adjusted EBITDA of \$509 million in 1H 2020, down 10% year-on-year. The performance of CMD has been very strong in Q2 2020 with Adjusted EBITDA of \$390 million, up 7% year-on-year and up 228% quarter-on-quarter. This was due to pent-up demand for construction materials in both Hong Kong and Mainland after the lifting of the lockdown in Q1 and demand for cement in Yunnan driven by government infrastructure projects. We continue with the construction of our ready mix concrete plant at the Hong Kong International Airport and anticipate the plant to open in Q4 2020, which will support the construction of the third runway, terminal building and support facilities.

²² Gaming statistics are presented before deducting commission and incentives.

²³ Reflects junket rolling chip volume only.

²⁴ 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. Our development works for Phases 3 & 4 include approximately 3,500 hotel rooms, including family and premium high end 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. We will try to maintain our development targets, however due to COVID-19, development timelines may be impacted. At this point we cannot quantify the impact but we will endeavor to maintain our schedule.

Hengqin

We continue to make progress with our concept plan for a lifestyle resort on Hengqin that will complement our high energy resorts in Macau. We are encouraged by the Macau Chief Executive's recent positive comments in his inaugural Policy Address about the future role of Hengqin in the further development of Macau. We look forward to working with respective governments to develop our plan in Hengqin and support the government's strategy to diversify Macau's economy.

International

Our Japan based team continues with our Japan development efforts even as they deal with the COVID-19 crisis. We view Japan as a great long term growth opportunity that will complement our Macau operations and our other international expansion ambitions. GEG, together with Monte-Carlo SBM from the Principality of Monaco and our Japanese partners, look forward to bringing our brand of World Class IRs to Japan.

Selected Major Awards in 1H 2020

Award	Presenter
GEG	
Casino Operator of the Year Australia & Asia Socially Responsible Operator (Asia / Australia)	13 th International Gaming Awards
Social Responsibility Award	The 2 nd Greater China Most Influential Brand & Entrepreneur Awards Ceremony
Galaxy Macau™	
Five-Star Hotel: The Ritz-Carlton, Macau Banyan Tree Macau Five-Star Restaurant: Lai Heen Belon Five-Star Spa: The Ritz-Carlton Spa, Macau Banyan Tree Spa Macau	2020 Forbes Travel Guide



100 Top Tables 2020: 8½ Otto e Mezzo BOMBANA Lai Heen Yamazato	South China Morning Post
Hotel Group B Excellence Award: Galaxy Macau™	Macau Energy Saving Activity 2019
2019 Macau Green Hotel Awards - Gold Award: Banyan Tree Macau JW Marriott Hotel Macau The Ritz-Carlton, Macau	DSPA & MGTO
Annual Gourmet Landmark - Galaxy Macau™ Special Recommended Must Eat Restaurant - Fook Lam Moon	2019-2020 China Feast Restaurant Awards by Restaurant Review
My Favorite Hotel Restaurant in Macau - Fook Lam Moon	U Magazine
StarWorld Macau	
100 Top Tables 2020 - Feng Wei Ju	South China Morning Post
Best Chinese Restaurant- Feng Wei Ju	2019-2020 China Feast Restaurant Awards by Restaurant Review
Construction Materials Division	
Caring Company Scheme – 15 Years Plus Caring Company Logo	The Hong Kong Council of Social Service
Hong Kong Awards for Environmental Excellence – Manufacturing and Industrial Services – Certificate of Merit	Environmental Campaign Committee
Hong Kong Green Organisation Certification - Wastewi\$e - Certificate - Excellence Level - Carbon Reduction - Certificate – Achieved 7% Carbon Reduction	Environmental Campaign Committee
Occupational Health Award 2019-20 Joyful@Healthy Workplace Best Practices Award (Enterprise / Organisation Category) – Grand Award	Occupational Safety and Health Council
BOCHK Corporate Environmental Leadership Awards 2019 – EcoPartner & 3 Years+ EcoPioneer	Bank of China (Hong Kong) and Federation of Hong Kong Industries

Outlook

Macau and Guangdong have taken the critical step in creating a travel bubble followed most notably, by the reinstatement of the Individual Visit Scheme (IVS) and group travel for Zhuhai Hukou residents and Zhuhai Resident Permit holders to visit Macau effective yesterday. The government subsequently announced that they will expand the IVS and group travel beyond Zhuhai to Guangdong Province by the end of August and Nationwide by the end of September 2020 provided the pandemic situation continues to improve. Despite these important positive early steps, it is premature to comment on how quickly the market may recover. Going forward we expect to experience further head winds from the pandemic, which will have an adverse impact on our financial performance. However in the medium to longer term, we continue to remain optimistic in the outlook for Macau in general and GEG specifically.



Given our views of the immediate future, we wish to highlight that the COVID-19 crisis will continue to have an adverse effect on our 2020 financial results.

We believe that there is a significant pent-up demand for leisure, tourism and travel from China. This belief is supported by both our own discussions with customers and our observations of popular travel destinations within China being in high demand. Moreover, we believe that at least initially there will be a reluctance by Asians to travel outside of Asia which should support the demand for travel to Macau.

Additionally, infrastructure continues to improve, including the expansion of high-speed train lines in Mainland China and the ongoing development of immigration facilities. Phase one of the Hengqin immigration custom building was handed over to the Macau Government in March 2020, including the passenger clearance terminal, the surrounding traffic channels, a transport hub and an access road to the Lotus Bridge that connects Hengqin to Macau. Furthermore, the Macau Government plans to rebuild part of the Taipa Ferry Terminal into the second terminal building of the Macau International Airport. The current terminal can handle approximately 10 million passengers per year and the second terminal can increase the capacity to approximately 12 million. The Macau Government also plans to build the east section of the Light Rail Transport which will connect the peninsula's Border Gate checkpoint to the Taipa Ferry Terminal.

Fortunately, GEG has a strong and virtually unlevered balance sheet. This allows us to continue to invest into and upgrade our existing resorts and proceed with the planned opening of Cotai Phases 3 & 4, which position us well for the future growth. However, we do acknowledge it is hard to determine the speed of recovery with anticipated progressive-opening of travel restrictions and expected social distancing within our resorts. Further, we are also mindful that consumer sentiment has been impacted by a slower global economy, ongoing trade tension and currency fluctuation among others. These events have been impacting consumer sentiment and subsequent spending habits.

We continue to make progress with our international expansion plans and we do acknowledge that timelines for Japan may be impacted by the worldwide pandemic of COVID-19, however we can adjust accordingly and we remain committed to our Japan expansion plans.

We look forward to updating you next quarter and reporting our progress accordingly. Again, we would like to express our appreciation of our staff for being supportive of our Company and we encourage everyone to take caution of their personal hygiene and remain well during this period of time.

- END -



About Galaxy Entertainment Group (HKEx stock code: 27)

Galaxy Entertainment Group (“GEG” or the “Group”) is one of the world’s leading resorts, hospitality and gaming companies. It primarily develops and operates a large portfolio of integrated resort, retail, dining, hotel and gaming facilities in Macau. The Group is listed on the Hong Kong Stock Exchange and is a constituent stock of the Hang Seng Index.

GEG is one of the three original concessionaires in Macau with a successful track record of delivering innovative, spectacular and award-winning properties, products and services, underpinned by a “World Class, Asian Heart” service philosophy, that has enabled it to consistently outperform the market in Macau.

GEG operates three flagship destinations in Macau: on Cotai, Galaxy Macau™, one of the world’s largest integrated destination resorts, and the adjoining Broadway Macau™, a unique landmark entertainment and food street destination; and on the Peninsula, StarWorld Macau, an award winning premium property.

The Group has the largest undeveloped landbank of any concessionaire in Macau. When The Next Chapter of its Cotai development is completed, GEG’s resorts footprint on Cotai will double to more than 2 million square meters, making the resorts, entertainment and MICE precinct one of the largest and most diverse integrated destinations in the world. GEG is also planning to develop a world class, lifestyle leisure resort on a 2.7 square kilometer land parcel on Hengqin adjacent to Macau. This resort will complement GEG’s offerings in Macau, and at the same time differentiate it from its peers while supporting Macau in its vision of becoming a World Centre of Tourism and Leisure.

In July 2015, GEG made a strategic investment in Société Anonyme des Bains de Mer et du Cercle des Etrangers à Monaco (“Monte-Carlo SBM”), a world renowned owner and operator of iconic luxury hotels and resorts in the Principality of Monaco. GEG continues to explore a range of international development opportunities with Monte-Carlo SBM including Japan.

GEG is committed to delivering world class unique experiences to its guests and building a sustainable future for the communities in which it operates.

For more information about the Group, please visit www.galaxyentertainment.com

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