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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)

**GRANT OF SHARE AWARDS
IN REPLACEMENT OF PREVIOUSLY GRANTED SHARE OPTIONS
AND
GRANT OF SHARE OPTIONS AND SHARE AWARDS**

The Board announces that:-

- (1) subject to the written consent by the Grantees, Previously Granted Share Options will be cancelled and Replacement Share Awards will be granted to the Grantees in replacement of the Previously Granted Share Options.
- (2) GEG has granted, subject to acceptance by the Grantees, (i) Options to subscribe for a total of 528,000 Shares pursuant to the SOS; and (ii) Awards in respect of a total of 6,454,200 Shares pursuant to the SAS.

This announcement is made pursuant to Rule 17.06A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

CANCELLATION OF PREVIOUSLY GRANTED SHARE OPTIONS AND GRANT OF REPLACEMENT SHARE AWARDS

The Board of Directors (“Board”) of Galaxy Entertainment Group Limited (“GEG”) hereby announces that subject to the written consent of the holders (the “Grantees”), certain share options granted to them under current and past share option schemes of GEG referred to below (“Previously Granted Share Options”) will be cancelled and in return, GEG will offer to the Grantees new share awards (“Replacement Share Awards”) to be granted under the Share Award Scheme adopted on 22 May 2023 (the “SAS”). If a Grantee does not give written consent to the cancellation of his/her Previously Granted Share Options, such Previously Granted Share Options held by him/her will not be cancelled and no Replacement Share Awards will be granted to him/her.

The outstanding Previously Granted Share Options eligible for cancellation are as follows:

<u>Date of Grant</u>	<u>Exercise Price</u> <u>(HK\$)</u>	<u>Previously Granted</u> <u>Share Options</u>
30 December 2019	57.70	496,337
29 September 2020	52.58	1,103,334
17 June 2021	62.19	531,000
7 October 2022	48.65	15,192,050
29 December 2023	43.75	9,464,000
	TOTAL:	<u>26,786,721</u>

Details of Replacement Share Awards that may be granted under the SAS are as follows:

Date of Grant:	30 December 2024
Number granted:	3,283,370
Purchase price payable on acceptance:	HK\$1.00 in aggregate
Market price of GEG shares (“Shares”) on the date of Grant:	HK\$32.85 per Share
Vesting periods:	30 December 2025: 1,641,685 (being 50% of each Grantee’s Replacement Share Awards) 30 December 2026: 1,641,685 (being 50% of each Grantee’s Replacement Share Awards)

The names and category of Grantees, the number of Previously Granted Share Options to be cancelled and the number of Replacement Share Awards to be granted are as follows:

<u>Name/category of Grantees</u>	<u>Relationship with GEG</u> <u>and its subsidiaries</u> <u>(“Group”)</u>	<u>Number of</u> <u>Previously Granted</u> <u>Share Options</u>	<u>Number of</u> <u>Replacement</u> <u>Share Awards</u>
Mr. Francis Lui Yiu Tung	executive Director	6,273,000	766,860
Mr. Joseph Chee Ying Keung	executive Director	621,000	67,080
Mrs. Paddy Tang Lui Wai Yu	executive Director	264,440	31,560
Ms. Eileen Lui Wai Ling	employee of the Group, and associate of Director	999,360	120,160
Mr. Andrew Nicholas Lui	employee of the Group, and associate of Director	15,420	1,930
Other employees participants	employees of the Group	17,303,091	2,146,810
Service Providers	provide consulting and advisory services and include ex-employees of the Group	1,310,410	148,970
Total:		<u>26,786,721</u>	<u>3,283,370</u>

Performance targets, clawback mechanism and possible shorter vesting periods

There is no performance target or clawback mechanism attached to the Replacement Share Awards. Notwithstanding that, the offer of Replacement Share Awards to the Employees is expected to incentivize them to continue to work towards the success of GEG and reinforce their commitment to long term services with GEG. As for the offer of Replacement Share Awards to Service Providers, the Board is of the view that it will help GEG retain access to valuable services and skills provided by them, strengthen their long-term service commitment to the Group and motivate them to commit to the Group's growth, and therefore aligns with the purposes of the SAS. The Replacement Share Awards are subject to the terms of the SAS which provide for circumstances under which the Replacement Share Awards shall lapse in the event that the Grantees cease to be an Eligible Participant (as defined under the SAS) or commit a breach of the SAS rules and in the case of employee participants, may vest in less than 12 months if one or more of the Short Vesting Circumstances referred to in GEG's circular dated 20 April 2023 arises.

View of the Remuneration Committee

The Replacement Share Awards granted to executive Directors of GEG were determined bearing in mind that their respective Previously Granted Share Options form part of their remuneration and total compensation packages and to treat those executive Directors in the same way as all other Grantees of Previously Granted Share Options. The Remuneration Committee of GEG is satisfied that the relevant terms and conditions are fair and reasonable and that no performance target or clawback mechanism is necessary, or shorter vesting period, if applicable and considers them in line with the objectives of the SAS.

Financial arrangements

The Group has not provided any financial assistance to the Grantees to facilitate the purchase of Shares under the SAS.

Reasons for the Replacement

In view of the fact that the exercise prices of the Previously Granted Share Options have been higher than the market price of the Shares for some time, the Previously Granted Share Options no longer serve the purpose of providing motivation and incentives to the Grantees. The replacement of Previously Granted Shares Options by Replacement Share Awards will better serve the objective of the SAS in recognizing the contributions of the Grantees to the Group and in providing the Grantees with incentives to continue to contribute towards the operation and development of the Group.

Save as disclosed above, none of the Grantees is a director, chief executive or substantial shareholder of GEG, or an associate (as defined under the Listing Rules) of any of them.

GRANT OF SHARE OPTIONS AND SHARE AWARDS

The Board hereby announces that GEG has granted to certain employee participants ("Grantees"), subject to the acceptance by the Grantees, (i) share options ("Options") to subscribe for a total of 528,000 Shares pursuant to the share option scheme adopted by GEG on 22 May 2023 (the "SOS"); and (ii) share awards ("Awards") in respect of a total of 6,454,200 Shares pursuant to the SAS.

Details of the Options and Awards granted are as follows:

	Options	Awards
Number granted:	528,000	6,454,200
Date of Grant:	30 December 2024	30 December 2024
Exercise price of Options or purchase price of Awards:	HK\$34.08 per Share	HK\$1.00 in aggregate payable on acceptance
Market price of the Shares on the date of Grant:	HK\$32.85 per Share	HK\$32.85 per Share
Exercise period:	30 December 2025 to 29 December 2030	Not applicable
Vesting period:	30 December 2025: 175,988 30 December 2026: 175,988 30 December 2027: 176,024	30 December 2025: 2,130,409 30 December 2026: 2,130,409 30 December 2027: 2,193,382

Name/Category of Grantees and the number of Options/Awards granted to them are as follows:

<u>Name/category of Grantees</u>	<u>Relationship with GEG</u>	<u>Number of Options</u>	<u>Number of Awards</u>
Mr. Francis Lui Yiu Tung	executive Director	0	1,492,200
Mrs. Paddy Tang Lui Wai Yu	executive Director	92,000	27,700
Ms. Eileen Lui Wai Ling	employee of the Group, and associate of Director	0	215,500
Mr. Andrew Nicholas Lui	employee of the Group, and associate of Director	0	6,500
Other employees participants	employees of the Group	436,000	4,712,300
Total number granted		<u>528,000</u>	<u>6,454,200</u>

Performance targets, clawback mechanism and possible shorter vesting period

There is no performance target or clawback mechanism attached to the Options and Awards. Notwithstanding that, the grant of Options and Awards is expected to incentivize the Grantees to continue to work towards the success of GEG and reinforce their commitment to long term service with GEG. The Options and Awards are subject to the terms of the SOS and SAS respectively which provide for circumstances under which the Options and Awards shall lapse in the event that the Grantees cease to be an Eligible Participant (as defined under the SOS and SAS) or commit a breach of the relevant scheme rules, and in the case of employee participants, may vest in less than 12 months if one or more of the Short Vesting Circumstances referred to in GEG's circular dated 20 April 2023 arises.

View of the Remuneration Committee

The Options and Awards granted to the executive Directors of GEG were determined by reference to market data, Directors' duties and responsibilities, GEG's performance and profitability, and form part of the remuneration and total compensation packages. The Remuneration Committee of GEG is

satisfied that the relevant terms and conditions are fair and reasonable and that no performance target or clawback mechanism is necessary, or shorter vesting period, if applicable, as the grants were determined after taking into consideration their past performance/contribution to GEG, and the Remuneration Committee considers them in line with market practice and the respective objectives of the SOS and SAS.

Financial arrangements

The Grantees, except Directors of GEG and their respective associates and connected persons (as defined under the Listing Rules) are eligible to apply to GEG for a short-term interest free loan to facilitate the purchase of Shares under the SOS if and when they wish to exercise the Options.

Satisfaction of Awards

The Awards will be satisfied by the issuance and allotment of new Shares by GEG to a trustee that will hold those Shares on trust for the Grantees and will transfer the underlying Shares to the Grantees on vesting of the Awards, subject to the terms and conditions of the SAS.

Reasons for the Grants

The grants will provide a motivation and long-term incentive to the Grantees, and promote the long term financial success of GEG by aligning their interests to those of the shareholders of GEG.

Save as disclosed above, none of the Grantees is a director, chief executive or substantial shareholder of GEG, or an associate (as defined under the Listing Rules) of any of them.

MANDATE LIMIT

The grant of Replacement Share Awards and the grant of Options and Awards are within the scheme mandate limit (“Mandate Limit”) approved at the Annual General Meeting of GEG held on 22 May 2023. As at the date of this announcement and after this grant of Replacement Share Awards (assuming all Grantees consent to cancellation of their Previously Granted Share Options in return for Replacement Share Awards) and grant of Options and Awards, the numbers of Shares available for future grant under the Mandate Limit and the service provider sublimit within it are 412,922,483 and 43,542,443 respectively.

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

Hong Kong, 30 December 2024

As at the date of this announcement, the executive Directors of GEG are Mr. Francis Lui Yiu Tung (Chairman), 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