



13 September 2006

Re.: Galaxy Casino S.A – Provision of Monthly Budget and Progress Report

Pursuant to the Final Offering Memorandum dated 7 December 2005 (the Memorandum), we provide the report on the progress of the development and construction of the Galaxy StarWorld Casino and Entertainment Complex and Cotai Mega Resort with comparison against corresponding budgets and Construction Milestones as follows:

1. StarWorld Casino and Entertainment Complex (“StarWorld Complex”)

Development progress, Budget and Milestone

The construction of the Starworld Casino and entertainment complex has been completed and the detailed fitting out work in its final stage. Inspection by the Fire Services Department has been concluded and inspection by DSSOPT for the issue of the Occupation Permit is in progress.

In order to remain competitive in the increasingly quality-conscious market, Galaxy has expended an additional sum of HK\$300 Million on upgrading the fittings, furnishing and service level of our Starworld Complex to provide Galaxy customers with a total and unique experience of ultimate excitement, entertainment and comfort. The fitting out work for the mass gaming hall has been completed and is now in the refinement and testing stage. It is expected that the fitting out work for the deluxe quality hotel rooms and suites and the VIP gaming rooms will be completed in stages from September through to October 2006. Management also announced that it plans to open StarWorld on 19 October 2006, with all facilities completed and open by end of this year.

2. Cotai Mega Resort

a) *Piling Contract*

The piling works has been completed in March 2006 and is in accordance with the corresponding schedule as disclosed in the Memorandum.

(Cont'd to Page 2)



(Cont'd from page 1)

b) Superstructure Contracts

The Superstructure work for both the Hotel and the Casino/Resort/Entertainment podium is in satisfactory progress. The hotel building has now reached the 7th floor. Construction for the lower ground floor and ground floor of the Casino, Resort and Entertainment Podium is also substantially completed. Construction work for the Podium mezzanine floor is underway and will reach the roof level by late September. The construction work is in accordance with the construction milestone dates set out in the report of 9 May 2006.