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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)

COMPLETION OF THE ISSUE OF ZERO COUPON CONVERTIBLE NOTES DUE 2011

Completion of the Convertible Note Issue took place on 14 December 2006 under which an aggregate principal amount of US\$240,000,000 Convertible Notes were issued to subscribers independent of, and not connected with, the directors, chief executive and substantial shareholders of the Company or its subsidiaries or any of their respective associates.

The Company announced on 6 December 2006 a proposed issue of Convertible Notes. Terms defined in the announcement of the Company dated 6 December 2006 have the same meanings when used in this announcement.

The Directors are pleased to announce that all the conditions of the Agreements have been fulfilled and that completion of the Agreements took place on 14 December 2006. A full US\$240,000,000 (approximately HK\$1,872,000,000) principal amount of Convertible Notes were issued to subscribers independent of, and not connected with, the directors, chief executive and substantial shareholders of the Company or its subsidiaries or any of their respective associates.

The estimated net proceeds of the Convertible Note Issue, after deduction of commission and other expenses, are US\$235,150,000 (approximately HK\$1,834,170,000). The Directors intend that of the estimated net proceeds, approximately 85% will be applied in funding the expansion of the Group's Cotai Mega Resort and the balance as working capital.

Approval by the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares has been granted.

For the purposes of this announcement certain sums in US\$ have been translated into HK\$ at the rate of US\$1.00 = HK\$7.80.

As at the date of this announcement, the executive Directors are Dr. Lui Che Woo, Mr. Francis Lui Yiu Tung, Mr. Chan Kai Nang, Mr. Joseph Chee Ying Keung, Mr. William Lo Chi Chung and Ms. Paddy Tang Lui Wai Yu; the non-executive Director is Mr. Moses Cheng Mo Chi; and the independent non-executive Directors are Dr. Charles Cheung Wai Bun, Mr. James Ross Ancell and Dr. William Yip Shue Lam.

By Order of the Board of
Galaxy Entertainment Group Limited
Kitty Chan Lai Kit
Company Secretary

Hong Kong, 15 December 2006

*Please also refer to the published version of this announcement in **South China Morning Post**.*